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LEGISLATIVE HISTORY

Public Law 87-632
S. 3574

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INDEX AND SUMMARY OF S. 3574

July 23, 1962	Rep. Spence introduced H. R. 12660 which was referred to the House Banking and Currency Committee. Print of bill as introduced.
July 27, 1962	Sen. Ellender introduced S. 3574 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced.
Aug. 1, 1962	Senate committee voted to report S. 3574.
Aug. 2, 1962	Senate committee reported S. 3574 without amendment. S. Report No. 1804. Print of bill and report.
Aug. 8, 1962	Senate passed S. 3574 without amendment.
Aug. 9, 1962	S. 3574 was referred to the House Banking and Currency Committee. Print of bill as referred.
Aug. 16, 1962	House committee reported S. 3574 without amendment. H. Report No. 2246. Print of bill and report.
Aug. 27, 1962	House passed S. 3574 under suspension of the rules.
Sept. 5, 1962	Approved: Public Law 87-632.

DIGEST OF PUBLIC LAW 87-632

INTERNATIONAL WHEAT AGREEMENT ACT EXTENSION. Extends the International Wheat Agreement Act of 1949 to cover the International Wheat Agreement of 1962.

87TH CONGRESS
2D SESSION

H. R. 12660

IN THE HOUSE OF REPRESENTATIVES

JULY 23, 1962

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To extend the International Wheat Agreement Act of 1949.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 2 of the International Wheat Agreement Act
4 of 1949, as amended, is further amended as follows:

5 (1) The first sentence is amended by striking out the
6 language in the first parenthesis and all that follows in such
7 sentence and inserting in lieu thereof the following: "signed
8 by the United States and certain other countries revising
9 and renewing such Agreement of 1949 for periods through
10 July 31, 1965 (hereinafter collectively called the 'Inter-
11 national Wheat Agreement')".

1 (2) There is inserted immediately before the last sen-
2 tence the following new sentence: "Such net costs in con-
3 nection with the International Wheat Agreement, 1962,
4 shall include those with respect to all transactions which
5 qualify as commercial purchases (as defined in such agree-
6 ment) from the United States by member and provisional
7 member importing countries, including transactions entered
8 into prior to the deposit of instruments of acceptance or
9 accession by any of the countries involved, if the loading
10 period is not earlier than the date the agreement enters
11 into force."

87TH CONGRESS
2^D Session

H. R. 12660

A BILL

To extend the International Wheat Agreement
Act of 1949.

By Mr. SPENCE

JULY 23, 1962

Referred to the Committee on Banking and Currency

87TH CONGRESS
2^D SESSION

S. 3574

IN THE SENATE OF THE UNITED STATES

JULY 27 (legislative day, JULY 26), 1962

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To extend the International Wheat Agreement Act of 1949.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act of
4 1949, as amended, is further amended as follows:

5 (1) The first sentence is amended by striking out the
6 language in the first parenthesis and all that follows in such
7 sentence and inserting in lieu thereof the following: "signed
8 by the United States and certain other countries revising and
9 renewing such agreement of 1949 for periods through July
10 31, 1965 (hereinafter collectively called the 'International
11 Wheat Agreement')".

1 (2) There is inserted immediately before the last sen-
2 tence the following new sentence: "Such net costs in connec-
3 tion with the International Wheat Agreement, 1962, shall
4 include those with respect to all transactions which qualify
5 as commercial purchases (as defined in such agreement)
6 from the United States by member and provisional member
7 importing countries, including transactions entered into prior
8 to the deposit of instruments of acceptance or accession by
9 any of the countries involved, if the loading period is not
10 earlier than the date the agreement enters into force."

A BILL

To extend the International Wheat Agreement
Act of 1949.

By Mr. ELLENDER

JULY 27 (legislative day, JULY 26), 1962
Read twice and referred to the Committee on
Agriculture and Forestry

Aug 1, 1962

11. TERRITORIES. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment S. 2429, to revise the boundaries of the Virgin Islands National Park, St. John, V. I. p. D667
12. MIGRANT WORKERS. Rep. Olsen discussed the problem of education of the children of migrant workers, and said, "If there ever was a cause or reason for Federal funds for education, it is for a program of education of children of agricultural migrant workers." pp. 14326-7
13. FOREIGN AID. Rep. Curtis, Mo., inserted an article by Dr. Hans Morgenthau, "A Political Theory of Foreign Aid." pp. 14332-6

SENATE

14. FARM PROGRAM. Sen. Mansfield stated that the farm bill will not be considered for several days and that the policy committee will probably consider at its meeting next Tues. when to schedule it for debate. p. 14190
Sen. Cooper expressed opposition to including a mandatory feed-grain control program in the farm bill and stated that if the Administration insists on such a program "it will deliberately choose to have no farm bill." p. 14200
Sen. Proxmire expressed opposition to including a mandatory feed-grain control program in the farm bill and urged passage of the bill as reported by the Senate Agriculture and Forestry Committee. pp. 14261-2
15. WHEAT. The Agriculture and Forestry Committee voted to report S. 3574, to extend authority granted under the International Wheat Agreement Act to cover any new or revised wheat agreement. p. D664
Sen. Carlson inserted a Disabled American Veterans resolution opposing shipment of wheat to Communist China. p. 14192
16. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 10802, and acted on the amendment in disagreement (relating to Indian claims) (pp. 14252-5). This bill will now be sent to the President. See Digest 129 for a summary of Forest Service items.
17. FORESTRY. The Agriculture and Forestry Committee voted to report (but did not actually report) S. 3235, to provide authority for more efficient and effective administration of Forest Service programs (p. D664). See Digest 62-63 for provisions of this proposal as submitted by this Department.
The Interior and Insular Affairs Committee voted to report with amendment (but did not actually report) S. 3117, to promote the coordination and development of Federal and State outdoor recreation programs. p. D665
The Interior and Insular Affairs Committee voted to report with amendment (but did not actually report) S. 1878, to add certain lands to the Wasatch National Forest, Utah. p. D666
18. TREASURY-POST OFFICE APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 10526. This bill will now be sent to the President. pp. 14238-43
19. DEFENSE DEPARTMENT APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 11289. This bill will now be sent to the President. pp. 14243-14251
20. RECLAMATION. The Agriculture and Forestry Committee voted to report with amendment (but did not actually report) H. R. 8520, to limit Federal financial and technical assistance for the drainage of certain wetlands. p. D664

The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 103, with amendment, to authorize construction of the Auburn-Folsom south unit, American River division, Central Valley project, Calif., and S. 892, with amendment, to authorize construction of the Arbuckle reclamation project, Okla. p. D666

The "Daily Digest" states that the Interior and Insular Affairs Committee "adopted a committee resolution requesting the Secretary of the Interior to initiate a study on Federal policies regarding limitations on delivery of water from Federal projects to lands for irrigation purposes in excess of a specified or limited number of acres in individual or family ownership." p. D666

21. PUBLIC LANDS. The Interior and Insular Affairs Committee voted to report with amendment (but did not actually report) H. R. 8134, to authorize the sale of the mineral estate in certain lands. p. D665
22. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: South Sumter and Upper Tampa Bay, Fla.; North Branch Mill Creek Mich.; Nanticoke Creek, N. Y.; Dicks Creek-Little Muddy Creek, O.; Line Creek, Tenn. and Ky.; Kent Creek, Tex.; Bajura, P.R.; and Davis-Battle Creek, Iowa. p. D664
23. FARM LABOR. Sens. Williams, N. J., and Humphrey expressed concern over the welfare of migratory farm workers and inserted several items on the matter. pp. 14207-8, 14218-9
24. HOUSING. The 15th Annual Report of the Housing and Home Finance Agency was received from the President and referred to the Committee on Banking and Currency. p. 14189
25. NOMINATION. The nomination of John Baker as Assistant Secretary of Agriculture and as a member of the Board of Directors of the Commodity Credit Corporation was confirmed without objection. p. 14191
26. PERSONNEL. Proposed legislation to amend the Retired Federal Employees Health Benefits Act with respect to Government contributions for expenses incurred in administration of the Act was received from the U. S. Civil Service Commission and referred to the Committee on Post Office and Civil Service. p. 14191.
27. TRANSPORTATION. Sen. Carlson inserted resolutions opposing the recommendations of the Presidential Railroad Commission and supporting S. 3243, railroad legislation pending in the Commerce Committee.
The Commerce Committee reported without amendment H. R. 11643, to amend the Interstate Commerce Act so that the users of motor-water services between Alaska or Hawaii and the other 48 States may have the same benefits of through routes and joint rates which are enjoyed by users of motor-water services among the other 48 States, and by users of rail-water services or any combination of service with air services among all of the 50 States (S. Rept. 1799). p. 14194
28. CONTRACTS. The Committee on Interior and Insular Affairs reported without amendment H. R. 11405, to provide for maintenance and repair of Government improvements under concession contracts in the National Parks (S. Rept. 1802). / p. 14194 /
29. ELECTRIFICATION. Sen. Goldwater submitted amendments intended to be proposed to S. 3153, to guarantee Pacific Northwest consumers first call on electricity generated at Federal plants in that region. p. 14196

Daily Digest

HIGHLIGHTS

Senate referred communications satellite bill to Foreign Relations Committee for report by August 10 as Senate's pending business, and cleared for President NASA authorization and Treasury-Post Office, Defense, and Interior appropriations.

House passed bills on Philippine war damage awards and independent offices appropriations and adopted conference report on Labor-HEW appropriations.

See Résumé of Congressional Activity.

Senate

Chamber Action

Routine Proceedings, pages 14190-14224

Bills Introduced: 13 bills and 2 resolutions were introduced, as follows: S. 3580-3592; and S. Res. 368-369.

Page 14194

Bills Reported: Reports were made as follows:

S. 3580, to amend the Atomic Energy Community Act so as to provide for the disposal of federally owned property at Los Alamos, N. Mex. (S. Rept. 1792);

S. 824, to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry, and to permit their use in coastwise trade (S. Rept. 1793);

H.R. 6456, to permit the tugs *John Roen, Jr.* and *Steve W.* to be documented for use in the coastwise trade (S. Rept. 1794);

H.R. 6219, to permit the vessel *Bar-Ho IV* to be used in the coastwise trade (S. Rept. 1795);

H.R. 7741, to permit the vessel *Lucky Linda* to be documented for limited use in the coastwise trade (S. Rept. 1796);

H.R. 8168, to admit the tugs *Barbara*, *Ivatee*, *Lydia*, and *Alice* and the barges *Florida*, DB 8, No. 220, and No. 235, to American registry (S. Rept. 1797);

S. 3264, authorizing the vessel *Eugenie II* to be documented as a vessel of the U.S. (S. Rept. 1798);

H.R. 11643, to amend the Interstate Commerce Act in regard to the establishment of through routes and joint rates (S. Rept. 1799);

S. 55, authorizing establishment of the Fort Bowie National Historic Site, Ariz. (S. Rept. 1800);

H.R. 10276, to change name of the Petersburg National Military Park and to provide for acquisition of a portion of the Five Forks Battlefield (S. Rept. 1801); and

H.R. 11405, authorizing the National Park Service to continue to require concessionaires using U.S. buildings to repair and maintain same (S. Rept. 1802). Page 14194

Bill Referred: One House-passed bill was referred to appropriate committee. Page 14189

Communications Satellite: By unanimous consent, Senate agreed that H.R. 11040, to provide the establishment, ownership, operation, and regulation of a commercial satellite system, be made the pending business, with the proviso that the bill be then immediately referred to Committee on Foreign Relations with instructions to report it back to Senate by noon Friday, August 10, when it will be the Senate's pending business. Pages 14189-14190

Legislative Program: Majority leader announced that during the balance of the week the following bills possibly will be considered: S. 3491, to amend in several regards the Atomic Energy Act of 1954; H.R. 11151, legislative appropriations; H.R. 7913, permitting Army and Air Force to bring their respective service academies to full strength; S. 495, Trading With the Enemy Act amendments; and legislation to amend the Merchant Marine Act in various particulars.

Senator Kerr stated that H.R. 10650, Internal Revenue Act amendments, will be reported by Finance Committee by August 11 and so will be ready for floor action by August 13. Pages 14190, 14256

NASA: Senate adopted conference report on (motion to reconsider tabled) and cleared for President H.R. 11737, authorizing funds for the National Aeronautics and Space Administration for fiscal year 1963. Page 14211

Laborers and Mechanics: H. Con. Res. 506, to correct an error in the enrollment of H.R. 10786, to provide a

40-hour workweek on Government construction contract work, was adopted. Page 14218

Printing: Senate adopted an original resolution, S. Res. 309, to print as a Senate document "A Report on the Implementation of the Humphrey Amendment." Page 14169

Congolese Parliamentarians: Senate recessed briefly to greet members of the Senate of the Congo who were visiting the Senate floor. Pages 14232-14233

Printing—Rivers and Harbors: Three reports from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations (1) on interim report on Rondout Creek and Walkill River, N.Y. and N.J., (2) on review of the report on Wilmington Harbor, N.C., and (3) on review of the report on Savannah Harbor, Ga., were received, referred to Committee on Public Works, and ordered to be printed as S. Docs. 113, 114, and 115. Pages 14196-14197

AEC: Senate passed with amendment H.R. 11974, to authorize appropriations for the Atomic Energy Commission, after substituting for its text the language of S. 3392, companion bill, which had first been amended by adoption of committee amendments and a Jackson amendment providing for construction and operation of electrical generation and transmission facilities at Hanford Production Reactor.

Senate insisted on its amendment, asked for conference with House, and appointed as conferees Senators Pastore, Gore, Jackson, Hickenlooper, and Aiken.

S. 3392, companion bill, was indefinitely postponed. Pages 14211-14213, 14224, 14233-14238

Treasury-Post Office Appropriations: Conference report on H.R. 10526, fiscal 1963 appropriations for the Treasury and Post Office Departments, Executive Office of the President, and certain independent agencies, was adopted, thus clearing the bill for the President. Pages 14238-14243

Defense Appropriations: Senate adopted conference report on H.R. 11289, fiscal 1963 appropriations for the Department of Defense. In this connection, Senate concurred in House amendments to Senate amendments Nos. 1 and 30.

These actions cleared the bill for the President. Page 14243-14252

Interior Appropriations: H.R. 10802, fiscal 1963 appropriations for the Department of the Interior, was cleared for President when Senate adopted conference report thereon and concurred in House amendment to Senate amendment No. 9. Pages 14252-14255

Legislative Appropriations: H.R. 11151, fiscal 1963 appropriations for the legislative branch, was made Senate's unfinished business. Page 14256

Confirmations: The following nominations were confirmed: John A. Baker, of Virginia, to be an Assistant

Secretary of Agriculture and a member of the Board of Directors, Commodity Credit Corporation; and three judicial. Page 14282

Nominations: The following nominations were received: 2 civilian, 180 postmasters, numerous Air Force, and the withdrawal of 1 postmaster. Pages 14279-14282

Quorum Calls: During Senate proceedings on Tuesday, July 31, three quorum calls were taken. Pages 14134, 14147, 14176

Program for Thursday: Senate met at noon and adjourned at 5:46 p.m. until noon Thursday, August 2, when its unfinished business will be H.R. 11151, legislative appropriations. Other bills to be considered thereafter are listed under "Legislative Program" above. Pages 14256, 14279

Committee Meetings

(Committees not listed did not meet)

COMMITTEE BUSINESS

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported ~~H.R. 8520, to limit Federal financial and technical assistance for the drainage of certain wetlands (amended); S. 3235, to facilitate in several regards the work of the U.S. Forest Service; and S. 3574, to extend the International Wheat Agreement Act of 1949.~~

Also, committee approved the following nine watershed projects: South Sumter and Upper Tampa Bay, both in Florida; North Branch Mill Creek, Mich.; Nanticoke Creek, N.Y.; Dicks Creek-Little Muddy Creek, Ohio; Line Creek, Tenn. and Ky.; Kent Creek, Tex.; Bajura, P.R.; and Davis-Battle Creek, Iowa.

APPROPRIATIONS—D.C.

Committee on Appropriations: Subcommittee continued its hearings on H.R. 12276, fiscal 1963 appropriations for the District of Columbia, having as its witnesses Gerard M. Shea, Director, D.C. Department of Public Welfare; Milo F. Christiansen, Director of D.C. Recreation; T. Sutton Jett, National Capital Parks; Dr. Theodore H. Reed, Director, National Zoological Park; and James C. Bradley, Assistant Secretary, Smithsonian Institution.

Hearings continue tomorrow.

APPROPRIATIONS—MILITARY CONSTRUCTION

Committee on Appropriations: Subcommittee continued hearings on fiscal 1963 budget estimates for military construction, receiving further testimony in behalf of funds for his department from Maj. Gen. W. R. Shuler, Director of Installations, Office of the Deputy Chief of Staff for Logistics, Army, who was accompanied by his associates.

Hearings continue tomorrow.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued August 3, 1962
For actions of August 2, 1962
87th-2d, No. 134

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HIGHLIGHTS: Sen. Proxmire commended present feed grains program. Senate committee reported bills to extend International Wheat Agreement and to facilitate work of Forest Service. Senate committee voted to report bill to aid domestic lumber industry. Senate committee voted to report bill for retirement credit for certain Federal-State cooperative service. Sen. Hruska criticized increased fees of European Common Market on farm imports. Sens. Bush and Muskie submitted amendments to be proposed to foreign trade bill. Sen. Proxmire expressed concern over decrease in farm income. Sen. Hickenlooper inserted Sen. Mundt's radio interview remarks on Estes case. Senate agreed to conference report on Labor-HEW appropriation bill. House committee voted to report pay bill. House subcommittee voted to report bill to provide for nutritional enrichment of rice.

HOUSE

1. RICE. The Subcommittee on Oil Seeds and Rice of the Agriculture Committee voted to report to the full committee S. 3152, to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under the national school lunch program and other domestic distribution and welfare-type programs. p. D674
2. PERSONNEL; PAY. The "Daily Digest" states that the Post Office and Civil Service Committee "Met in executive session and ordered reported favorably to the House H. R. 9531 (Morrison amendment), to provide for improvement in the statutory salary systems of the Federal Government; to adopt and apply the principle of Government-private enterprise salary comparability." p. D675

3. CONGRESSIONAL RECORD. Agreed to without amendment H. Con. Res. 497, authorizing the Joint Committee on Printing to conduct a study of the Congressional Record with a view to improving its format, index, typography, etc. (pp. 14346-7). Earlier, the House Administration Committee reported this resolution without amendment (H. Rept. 2119). p. 14360
4. VETERANS. The Veterans Affairs Committee reported with amendment H. R. 9962, to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis (H. Rept. 2130). p. 14360
5. QUALITY STABILIZATION. The Subcommittee on Commerce and Finance of the Interstate and Foreign Commerce Committee voted to report to the full committee with amendment H. J. Res. 636, to amend the Federal Trade Commission Act so as to promote quality and price stabilization. p. D675
6. LEGISLATIVE PROGRAM. Rep. Albert announced the following legislative program: Mon., the Consent Calendar will be called and the following bills will be considered under suspension of the rules; H. R. 4055, science monetary award medals; H. R. 12688, authorize forestry research; H. R. 9728, increased appropriation, Cooperative Forest Management Act; and S. 3064, Forests, national survey. p. 14348
7. ADJOURNED until Mon., Aug. 6. p. 14360

SENATE

8. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 14364
S. 3574, without amendment, to extend the authority granted under the International Wheat Agreement Act to cover any new or revised wheat agreement (S. Rept. 1804).
S. 3235, without amendment, to facilitate the work of the Forest Service (S. Rept. 1803). See Digest 62-63 for summary of provisions of this bill.
H. R. 8520, with amendments, to limit Federal financial and technical assistance for the drainage of certain wetlands (S. Rept. 1805).
9. FORESTRY. The Commerce Committee voted to report with amendment (but did not actually report) S. 3517, to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce, and "an original bill to encourage the movement of lumber in interstate commerce (introduced in lieu of S. 2737 and S. 3105)." p. D672
10. POST OFFICE AND CIVIL SERVICE COMMITTEE voted to report (but did not actually report) the following bills: p. D673
S. 2363, to allow civil service retirement credit to certain Federal employees for service in certain Federal-State cooperative programs.
S. 3164, with amendment, to increase from 18 to 21 the eligibility age of surviving children to receive benefits of Civil Service Retirement Act.
S. 2937, with amendment, to amend the Civil Service Retirement Act so as to provide for increases in certain annuities, eliminate the option with respect to certain survivor annuities, etc.
H. R. 8564, to provide for the escheat of unclaimed payments under the Government life insurance program to the credit of the life insurance fund.
11. PERSONNEL; PAY. Received from the Joint Committee on Reduction of Nonessential Federal Expenditures the report on Federal employment and pay for June. pp. 14364-9

INTERNATIONAL WHEAT AGREEMENT ACT EXTENSION

AUGUST 2, 1962.—Ordered to be printed

MR. ELLENDER, from the Committee on Agriculture and Forestry,
submitted the following

R E P O R T

[To accompany S. 3574]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3574) to extend the International Wheat Agreement Act of 1949, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would extend the International Wheat Agreement Act of 1949 to cover the International Wheat Agreement, 1962. Its sole purpose is to implement that agreement, which has already been ratified with the advice and consent of the Senate.

Under the agreement each importing country undertakes, when prices are within the agreement range, to purchase from member exporting countries a specified percent of its total commercial purchases from all sources, whatever that total may be. Exporting countries in association with one another undertake to make wheat available to member importing countries at prices within the range to enable them to fulfill their obligations, except that if prices reach the maximum, exporting countries then are obligated to furnish importing countries with certain quantities based on historical commercial trade during a previous period, before prices may move above the maximum. In the 1962 agreement, the maximum and minimum prices are 12½ cents per bushel higher than those of the 1959 agreement; namely, \$2.02½ and \$1.62½, respectively, in terms of a basic wheat at a basing point at the head of the Great Lakes.

The act authorizes the President, acting through the Commodity Credit Corporation, to make available such quantities of wheat and wheat flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States, and to take certain other action necessary in the implementation of the agreement.

Passage of the bill was requested by the Department of Agriculture.

BACKGROUND INFORMATION

The following constitutes background information pertinent to the extension of the International Wheat Agreement Act of 1949, as amended, to implement U.S. membership for the ensuing 3 years in the 1962 International Wheat Agreement. The Senate gave its advice and consent for ratification of the agreement on July 9, 1962.

SCOPE OF WHEAT AND FLOUR TRADE INVOLVED

The rights and obligations under the agreement are of necessity restricted to commercial trade, inasmuch as exports under special Government programs, notably Public Law 480 and noncommercial barter (United States) and under the Colombo plan and export credits insurance (Canada), by their very nature do not involve rights and obligations such as attach to trade under a multilateral agreement.

U.S. exports of wheat and flour for the crop-year just ended June 30, 1962, are expected to total around 710 million bushels. A preliminary estimate of the composition of this trade is as follows:

	<i>Million bushels</i>
(1) Commercial sales to IWA member importing countries.....	160
(2) Commercial sales to other exporting countries and to nonmember countries.....	55
(3) Sales to all countries under title I, Public Law 480.....	410
(4) Sales to all countries under title IV, Public Law 480.....	7
(5) Noncommercial barter sales to all countries.....	28
(6) Donations to all countries.....	50
Total exports.....	710

Only the segment of trade in category (1) comes under the rights and obligations of the wheat agreement for the reasons mentioned above, and also inasmuch as trade so covered is restricted to exports to member importing countries, the concept of the agreement being one of a multilateral contract between importing purchasers and exporting suppliers.

Under the 1962 agreement, and likewise under the proposed implementing legislation, "member importing countries" is intended to include importing countries with "provisional" membership. The 1962 agreement recognizes a provisional membership to accommodate those countries which participated in the negotiations but whose legislatures do not find it possible to ratify before the agreement comes into force. In such a case an interim instrument is deposited; i.e., an intention to seek acceptance or accession in accordance with the country's constitutional procedures. This allows a country time to conclude those formalities, and the provisional membership expires upon deposit of the full instrument of acceptance or upon expiry of the period granted by the Wheat Council for its deposit, but in no case later than July 31, 1963.

The agreement also recognizes the practical necessity for the concluding of export transactions in advance of shipment, and the inevitable circumstance that some sales for loading the first crop-year in the agreement will be made before some countries have been able to deposit instruments of acceptance or accession. Accordingly, the criterion for recording transactions under the agreement is not the time of consummation of the transaction, but is whether or not the loading period falls within the term of the agreement.

It is the intention that the reimbursement to the Commodity Credit Corporation which in the proposed legislation is authorized to be appropriated, should include net costs to the Corporation with respect to all transactions which qualify as commercial purchases (as defined in the agreement) from the United States by member and "provisional" member importing countries, on the same basis recognized by the Wheat Council.

U.S. PROGRAM UNDER THE AGREEMENT

The Commodity Credit Corporation program which has been conducted pursuant to the International Wheat Agreement Act of 1949, as amended, enables commercial wheat exporters and millers to purchase wheat at domestic market prices and to sell the wheat, or wheat flour product, to purchasers in wheat agreement importing countries, at prices consistent with the agreement price range, in competition with other exporters in the world market. The program costs in connection with these exports are occasioned by reason of the U.S. domestic price of wheat being higher than the competitive world price. The cost per bushel—and this has been the case since 1953—is the difference between the domestic price at ports and the competitive world price as it moves within the limits of the agreement price range. Should prices advance to the maximum, then the program cost per bushel would be the difference between the domestic price and the U.S. equivalents of the agreement maximum, until the U.S. quantitative commitment had been fulfilled, and then prices could advance higher with a compensating reduction in the program cost.

The Wheat Agreement Act of 1949, as amended, requires the Commodity Credit Corporation, in making wheat available under the agreement, to have regard for its responsibility to utilize the usual and customary channels, facilities, and arrangements of trade and commerce to the maximum extent practicable. During the life of the 1959 agreement, all exports of wheat and wheat flour under the agreement were accomplished through the private trade. Insofar as practicable, practices and procedures applicable to ordinary commercial exports are permitted and encouraged. The program requirements are such as to make participation practicable for small business or for any exporter regularly engaged in the exportation of wheat or wheat flour.

Under the program, an exporter in the private trade negotiates a sale of wheat or wheat flour with a buyer in a wheat agreement importing country, in the knowledge of export payment rates which are publicly announced each day by the Commodity Credit Corporation after grain markets have closed. The exporter reports the sale by telegraph to the CCC, and if the transaction is eligible he receives registration under the program within a few hours. He later accomplishes the exportation and upon presentation of evidence of sale and proof of exportation he collects the export payment from an office in his area at the rate per bushel of wheat or hundredweight of flour which prevailed at the time the sale was made. In the case of wheat, the export payment is made in the form of a negotiable certificate which is redeemable only in wheat from Commodity Credit stocks at the domestic market price. This wheat is utilized only in connection with further exports under the program.

EXPORT PROGRAM COSTS

The average payment on combined wheat and flour exports under the wheat agreement during the fiscal year 1960-61 was 57 cents per bushel. This is approximately the low point for any annual average since the beginning of the agreements in 1949 except for 1953-54 when the average was 44 cents; the highest annual average was 79 in 1956-57; and the overall average since 1949 was 63½ cents. It is difficult to estimate the program costs during the life of the 1962 agreement due to the uncertainties inherent in two of the three principal determinative factors; namely, (1) the volume of trade, (2) the level of domestic market prices, and (3) the future export prices which will need to be established in order to remain fully competitive in the world market. The volume of commercial sales to member importing countries is expected to be about 160 million bushels annually. The domestic price factor may be expected to operate to increase unit costs although this depends upon the level of domestic market prices whereas present conditions would indicate that the third factor—the export price—may to some extent decrease unit costs. The closest estimate possible at this time is 65 cents per bushel with a possibility of reaching 70 cents if domestic markets rise materially; or conversely, a lowering of the cost per bushel, should conditions lead to a domestic market decline.

The following information relating to the 1962 International Wheat Agreement is pertinent to the proposed implementing legislation:

PROSPECTIVE MEMBERSHIP

Forty-eight countries participated in the 1962 United Nations Negotiating Conference, but 7 of these were importing countries which did not subscribe a percentage obligation prior to the adjournment of the Conference; consequently, only 41 countries are inscribed in the agreement.

Under the terms of the agreement, it was brought into force in its administrative aspects on July 16, 1962, and operationally on August 1, 1962, by the deposit of instruments of acceptance or accession (including provisional instruments in some cases) by countries holding the requisite number of votes.

The membership status as of August 1, 1962, was as follows:

	Exporting countries	Importing countries	Total
Countries which had deposited final instruments of acceptance or accession.....	4	12	16
Countries which had deposited provisional instruments of acceptance or accession.....	4	10	14
Countries granted extension for the deposit of instruments.....	2	5	7
Countries not granted extensions (which did not sign the agreement) which may seek accession as new members.....		4	4
Total inscribed in agreement.....	10	31	41

NOTE.—The names of the countries in the foregoing categories are listed in "App. I: Exporting Countries," and "App. II: Importing Countries."

OBLIGATION OF IMPORTING COUNTRIES

Each member importing country undertakes to purchase from member exporting countries a specified percentage of its total commercial purchases from all sources, whatever that total may be. The weighted average of the percentages subscribed by all importing countries under the 1962 agreement is approximately 81 percent. This takes into account the prospective membership of the U.S.S.R. At the level of trade during the crop-years 1959-60 and 1960-61, commercial purchases from all sources aggregated around 590 million bushels.

It is expected that the member importing countries will buy within the agreement a much greater proportion of their total commercial requirements than the 81 percent subscribed. Under the previous (1959) agreement, when the weighted average subscribed was 70 percent, the actual commercial purchases for the crop-years 1959-60 and 1960-61 approximated 92½ percent.

The importers' obligation exists at the agreement minimum price and throughout the range up to the maximum price. The right of the United States and other exporting countries is to sell this guaranteed percentage that the member importers purchase. This benefit is "global" in the sense that exporting countries compete with one another in selling importing countries their requirements.

OBLIGATION OF EXPORTING COUNTRIES

The obligation of exporting countries exists if the price reaches the agreement maximum. Then they undertake to furnish any quantities not already purchased in that year, up to a moving average equal to importers' historical commercial purchases during a 4-year period. To purchase up to these quantities at the maximum price, before prices may go any higher, is the importing countries' right. The maximum obligation of the United States, at the maximum price, for the crop-year 1961-62 was 163 million bushels. During the life of the 1962 agreement, the maximum obligation each year could be expected to continue at about this figure. Exporters' obligations are global in the sense that an exporting country may discharge its obligation by selling to any member importing countries until the exporter's overall commitment has been fulfilled.

It is interesting to note that commercial sales by the United States for the current year 1961-62 subject to the terms of the agreement, secured competitively under nonmaximum price conditions (projected on the basis of the volume recorded during the first 11 months), totals around 160 million bushels. This approximates the total quantity mentioned in the preceding paragraph which the United States could have been called upon to furnish had prices reached the maximum.

THE PRICE RANGE

The basic maximum and minimum prices in the 1962 agreements are \$2.02½ and \$1.62½ per bushel, respectively, compared with \$1.90 and \$1.50 in the expiring agreement. These prices are on a gold basis (i.e., equal to U.S. currency) and are in terms of a basic grade and a basing point; namely, No. 1 Manitoba Northern wheat in bulk in store at the head of the lakes.

The equivalents of the agreement basic prices at U.S. ports are determined on the basis of prevailing transportation rates to destinations. As an example, the current f.o.b. equivalents at U.S. gulf ports of the new agreement basic prices are approximately \$2.16 maximum and \$1.76 minimum. For practical purposes of comparison, these prices must be further interpreted in terms of classes and grades in relation to the basic grade. The United States establishes differentials for its various classes and grades as required in the light of competitive world prices.

Shorter supplies of hard wheats in the higher protein brackets, and price advances of these qualities during the last half of 1961 and early 1962, were factors favorable to the obtaining of the increase in the agreement price range at the negotiating conference. However, this was accomplished in the face of remaining large supplies of ordinary protein wheats and a concerted resistance to price increase on the part of developing countries. Although purchases by developing countries are largely under government-assisted programs rather than commercial, nonetheless they opposed a higher price range, and by and large it was the industrialized commercial buyers which enabled the United States and other exporting countries to negotiate the price increase.

AGREEMENT ADMINISTRATION

The agreement is administered internationally by a Wheat Council composed of member countries of the agreement. Votes are divided equally between exporting countries and importing countries, with each group having 1,000 votes. The United States holds 290 of the 1,000 exporter votes in the Council.

The U.S. pro rata proportion of the cost of administration under the 1959 agreement averaged \$22,600 annually, which is about one-sixtieth of a cent per bushel of wheat exported under the agreement.

APPENDIX I

Exporting countries inscribed in the 1962 agreement

Exporting country	Member of 1959 agreement	Inscribed in 1962 agreement	Status as of Aug. 1, 1962		
			Instrument of full membership deposited	Instrument of provisional membership deposited	Granted extension for deposit of instrument of acceptance
1. Argentina.....	X.....	X.....		X.....	
2. Australia.....	X.....	X.....	X.....		
3. Canada.....	X.....	X.....	X.....		
4. France.....	X.....	X.....			X.
5. Italy.....	X.....	X.....		X.....	
6. Mexico.....	X.....	X.....			X.
7. Spain.....	X.....	X.....		X.....	
8. Sweden.....	X.....	X.....		X.....	
9. United States.....	X.....	X.....	X.....		
10. U.S.S.R.....	Nonmember	X.....	X.....		

APPENDIX 2

Importing countries inscribed in the 1962 agreement

Importing country	Percent commercial purchases pledged		Status as of Aug. 1, 1962			
	1959	1962	Instrument of full membership deposited	Instrument provisional membership deposited	Extensions granted	See footnote 1
1. Austria.....	45	60	X			
2. Belgium-Luxembourg.....	80	90		X		
3. Brazil.....	50	30		X		
4. Cuba.....	90	90		X		
5. Dominican Republic.....	90	90			X	
6. Federal Republic of Germany.....	70	87½		X		
7. India.....	70	70	X			
8. Indonesia.....	70	70			X	
9. Ireland.....	90	90	X			
10. Israel.....	60	60		X		
11. Japan.....	50	85		X		
12. Republic of Korea.....	90	90	X			
13. Netherlands.....	75	90		X		
14. New Zealand.....	90	90	X			
15. Nigeria.....	90	80	X			
16. Norway.....	60	90	X			
17. Philippines.....	70	80		X		
18. Portugal.....	85	85			X	
19. Rhodesia and Nyasaland.....	90	90	X			
20. Saudi Arabia.....	70	70	X			
21. South Africa.....	90	90	X			
22. Switzerland.....	80	87		X		
23. United Arab Republic.....	30	30		X		
24. United Kingdom.....	80	90	X			
25. Vatican City.....	100	100	X			
26. Venezuela.....	70	60			X	
27. Ceylon.....	(2)	80				X.
28. Iran.....	(2)	80				X.
29. Liberia.....	(2)	70			X	
30. Libya.....	(2)	70				X.
31. Poland.....	(2)	50				X.

¹ 7 additional importing countries participated in the 1962 Negotiating Conference but did not specify a percentage undertaking and consequently were not inscribed in the agreement. 2 of these countries, Finland and Greece, applied to the International Wheat Council for accession after the agreement came into force on July 16, 1962. The applications were approved and the countries are now placing membership before their legislatures. The other 5 countries in this category may seek accession in the same manner in the future. These countries are Colombia, Denmark, Morocco, Pakistan, and Syria.

⁹ Importing countries which were members of the 1959 agreement did not participate in the 1962 Negotiating Conference. One of these countries, El Salvador, applied for accession after the agreement came into force on July 16, 1962. The application was approved by the Wheat Council and the deposit of the instrument of accession is pending. The other 8 countries in this category are Costa Rica, Guatemala, Haiti, Honduras, Iceland, Panama, Peru, and Sierra Leone. Sierra Leone has applied for accession but the Wheat Council has not yet had opportunity to act on it.

Of the 41 exporting and importing countries inscribed in the agreement, all but 4 have deposited instruments, either final or provisional, or have been granted extensions for deposit. The 4 which have not been granted extensions have not applied therefor, nor did they sign the agreement during the prescribed period. These countries are Ceylon, Iran, Libya, and Poland. They are privileged to apply to the Wheat Council for accession under art. 35(4) of the agreement which authorizes the Council by ¾ votes of exporting countries and ¾ votes of importing countries to approve accession by the government of any member of the United Nations or the specialized agencies or by any government which was a member of the 1959 Wheat Agreement.

* Not member of 1959 agreement.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 20, 1962.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress a draft of legislation which would amend

the International Wheat Agreement Act of 1949, as amended, to extend the authority contained in the act to implement the 1962 International Wheat Agreement to which the Senate has given its advice and consent for ratification.

Enactment by the Congress of this proposed implementing legislation is recommended. Under its provisions certain action is authorized to secure the benefits and discharge the obligations of the United States under the agreement, upon the expected entry into force of the operational provisions of the agreement on August 1, 1962. This proposed legislation also is being submitted to the Speaker of the House of Representatives.

The current agreement, by its own terms, expires on July 31, 1962. The 1962 agreement in effect continues it, with some revisions, for a period ending July 31, 1965. The rights and obligations under the new agreement are similar to those in the 1959 agreement. Each importing country undertakes, when prices are within the agreement range, to purchase from member exporting countries a specified percent of its total commercial purchases from all sources, whatever that total may be. Exporting countries in association with one another undertake to make wheat available to member importing countries at prices within the range to enable them to fulfill their obligations, except that if prices reach the maximum, exporting countries then are obligated to furnish importing countries with certain quantities based on historical commercial trade during a previous period, before prices may move above the maximum. In the 1962 agreement, the maximum and minimum prices are 12½ cents per bushel higher than those of the 1959 agreement; namely, \$2.02½ and \$1.162½, respectively, in terms of a basic wheat at a basing point at the head of the Great Lakes.

The new agreement, like previous ones, covers "commercial" transactions. As defined in the agreement, this excludes such exports as those pursuant to Public Law 480, bilateral barter, and credit sales where the terms do not conform with those prevailing commercially.

The International Wheat Agreement Act of 1949, as amended, authorizes the President, acting through the Commodity Credit Corporation, to make available or cause to be made available, such quantities of wheat and wheat flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States, and to take certain other action necessary in the implementation of the agreement. Pursuant to this authority the Commodity Credit Corporation has made wheat available by making export payments-in-kind on wheat and cash payments on wheat flour, to commercial exporters, and by the sale to commercial exporters of wheat acquired by the Commodity Credit Corporation under its price-support program; all in connection with exports to importing countries which were members of the wheat agreement. The rate of payment on commercial exports represents the difference between the price of wheat on the domestic market and the selling price of such wheat under the agreement. All transactions are reported to the International Wheat Council for recording.

The 1962 agreement recognizes "provisional" membership to accommodate those countries which participated in the negotiations but whose legislatures do not find it possible to ratify before the agreement comes into force. In such a case an interim instrument is deposited; i.e., an intention to seek acceptance or accession in accordance

with the country's constitutional procedures. The provisional membership will expire upon deposit of the full instrument of acceptance or upon expiry of the period granted for its deposit, but in no case later than July 16, 1963.

The accompanying draft legislation is intended to cover all exports by the United States of wheat and wheat flour which qualify to be recorded by the International Wheat Council as commercial purchases by member, and provisional member, importing countries.

The President's budget for fiscal year 1963 assumes that the International Wheat Agreement will be extended, and a proposed appropriation of \$81,218,000 is included for this purpose in the budget. In the event that the act is not extended, costs of wheat exports would be financed from funds of the Commodity Credit Corporation.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the President's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

* * * * *

SEC. 2. The President is hereby authorized, acting through the Commodity Credit Corporation, to make available or cause to be made available, notwithstanding the provisions of any other law, such quantities of wheat and wheat-flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement of 1949 signed by Australia, Canada, France, the United States, Uruguay, and certain wheat importing countries, along with the agreements **[(the agreement of 1953, the International Wheat Agreement, 1956, and the International Wheat Agreement, 1959, signed by the United States and certain other countries) revising and renewing such Agreement of 1949 for periods through July 31, 1962 (hereinafter collectively called the "International Wheat Agreement"))]** *signed by the United States and certain other countries revising and renewing such agreement of 1949 for periods through July 31, 1965 (hereinafter collectively called the "International Wheat Agreement")*. Nothing herein shall be construed to preclude the Secretary of Agriculture, in carrying out programs to encourage the exportation of agricultural commodities and products thereof pursuant to section 32 of Public Law 320, Seventy-fourth Congress, as amended, from utilizing funds available for such programs in such manner as, either separately or jointly with the Commodity Credit Corporation, to exercise the rights, obtain the benefits, and fulfill all or any part of the obligations of the United States under the International Wheat Agreement or to preclude the Commodity Credit Corporation in otherwise carrying out wheat and

wheat-flour export programs as authorized by law. Nothing contained herein shall limit the duty of the Commodity Credit Corporation to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in making available or causing to be made available wheat and wheat-flour hereunder. The pricing provisions of section 112(e) of the Economic Cooperation Act of 1948 and section 4 of the Act of July 16, 1943 (57 Stat. 566), shall not be applicable to domestic wheat and wheat-flour supplied to countries which are parties to the International Wheat Agreement and credited to their guaranteed purchases thereunder on and after August 1, 1949, and up to and including June 30, 1950. Where prices in excess of the International Wheat Agreement prices have been paid for such wheat and wheat-flour financed by the Economic Cooperation Administration on or after August 1, 1949, and up to and including June 30, 1950, the Secretary of Agriculture or Commodity Credit Corporation is authorized to reimburse the Economic Cooperation Administration for such excess amounts. Funds realized from such reimbursement shall revert to the respective appropriation or appropriations from which funds were expended for the procurement of such wheat and wheat-flour. There are hereby authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs of carrying out its functions hereunder. Such net costs in connection with the International Wheat Agreement, 1959, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by importing member countries. *Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force.* The Commodity Credit Corporation is hereby authorized in carrying out its functions hereunder to utilize, in advance of such appropriations or payments, any assets available to it.



Calendar No. 1761

87TH CONGRESS
2D SESSION

S. 3574

[Report No. 1804]

IN THE SENATE OF THE UNITED STATES

JULY 27 (legislative day, JULY 26), 1962

Mr. ELLENDER (by request) introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

AUGUST 2, 1962

Reported by Mr. ELLENDER, without amendment

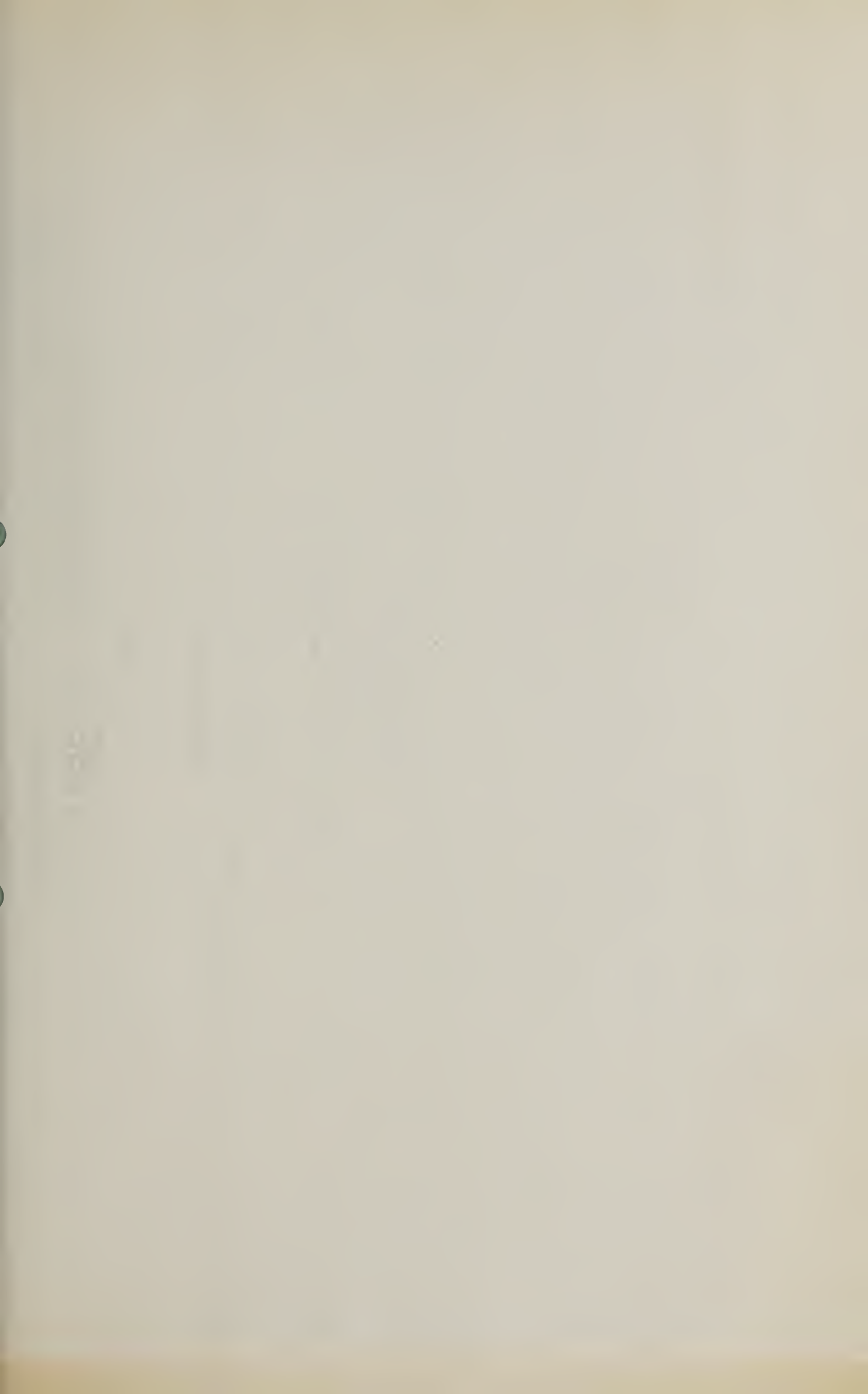
A BILL

To extend the International Wheat Agreement Act of 1949.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act of
4 1949, as amended, is further amended as follows:

5 (1) The first sentence is amended by striking out the
6 language in the first parenthesis and all that follows in such
7 sentence and inserting in lieu thereof the following: "signed
8 by the United States and certain other countries revising and
9 renewing such agreement of 1949 for periods through July
10 31, 1965 (hereinafter collectively called the 'International
11 Wheat Agreement')".

1 (2) There is inserted immediately before the last sen-
2 tence the following new sentence: "Such net costs in connec-
3 tion with the International Wheat Agreement, 1962, shall
4 include those with respect to all transactions which qualify
5 as commercial purchases (as defined in such agreement)
6 from the United States by member and provisional member
7 importing countries, including transactions entered into prior
8 to the deposit of instruments of acceptance or accession by
9 any of the countries involved, if the loading period is not
10 earlier than the date the agreement enters into force."



87TH CONGRESS
2^D SESSION

S. 3574

[Report No. 1804]

A BILL

To extend the International Wheat Agreement
Act of 1949.

JULY 27 (legislative day, JULY 26), 1962
Read twice and referred to the Committee on
Agriculture and Forestry

AUGUST 2, 1962

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued August 9, 1962
For actions of August 8, 1962
87th-2d, No. 138

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HIGHLIGHTS: Sen. Williams, Del., criticized payments under feed grains program. Sen. Miller inserted items critical of farm program. Senate passed International Wheat Agreement extension bill. Senate committee reported bill to aid domestic lumber industry. Senate passed Pacific Northwest electric power preference bill. Senate passed bill to establish Commission on Science and Technology. Rep. Johnson, Wis., criticized CED report. House committee reported bill to provide additional research facilities at experiment stations.

- SENATE

- 1. FARM PROGRAM.** Sen. Williams, Del., criticized payments under the feed grain program to large producers, stated that the program "definitely does not benefit the small farmer," and inserted a listing of payments under the 1961 feed grain program. pp. 14879-85
Sen. Miller inserted an article, "Farm Showdown - All Signs Point To It As Capitol Mood, Makeup Change," and an editorial on the results of the turkey marketing referendum, "Coming Home to Roost." pp. 14908-9
- 2. FORESTRY.** The Commerce Committee reported with amendment S. 3517, to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produced lumber in commerce (S. Rept. 1860). p. 14875
The Rules and Administration Committee reported a resolution authorizing the printing of a Senate document, "Trial Program of Public Land Range Appraisal." p. 14875
Passed as reported S. 1878, to authorize the addition of approximately 24,000 acres of land to the Wasatch National Forest, Utah. pp. 14945-6

3. WHEAT. Passed without amendment S. 3574, to extend the authority contained in the International Wheat Agreement Act so as to implement the 1962 International Wheat Agreement. pp. 14932-5
4. ELECTRIFICATION. By a vote of 51 to 36, passed as reported S. 3153, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority (pp. 14885-91, 14893-5, 14899-907, 14913-23, 14950-1). Rejected an amendment by Sen. Goldwater, as modified, to include other States, in addition to the States in the Pacific Northwest, within the purview of the bill (pp. 14885-91, 14893-5, 14899-907, 14913). Agreed to a motion by Sen. Bible to table an amendment by Sen. Goldwater to provide that Ariz. would be allocated one-half of the electric power generated at Federal power projects on streams forming the boundary of Ariz. and other States. (p. 14913). By a vote of 33 to 53, rejected a motion by Sen. Scott to recommit the bill to the Interior and Insular Affairs Committee (pp. 14913).
5. RESEARCH. Passed as reported S. 2771, to provide for the establishment of a Commission on Science and Technology to study Federal scientific and technical programs, including a study of the establishment of programs, methods, and procedures for the effective reorganization of Federal departments and agencies conducting scientific programs and supporting basic scientific research. pp. 14946-8
6. WILDLIFE; SURPLUS PROPERTY. The Commerce Committee reported without amendment S. 2358, to authorize the transfer of surplus real property to the Department of the Interior or to the States for use in wildlife conservation programs (S. Rept. 1865). p. 14875
7. ROADS. Sen. Randolph submitted an amendment intended to be proposed to H. R. 12135, the road authorization bill, to authorize the construction of a road through the Monongahela National Forest in W. Va. p. 14876
8. CONTRACTS; NATIONAL PARKS. Passed without amendment H. R. 11405, to provide for maintenance and repair of Government improvements under concession contracts in the National Parks. This bill will now be sent to the President. p. 14932
9. RECLAMATION. Passed without amendment H. R. 23, to authorize construction of the Arbuckle reclamation project, Okla. This bill will now be sent to the President. Consideration of a similar bill, S. 892, was indefinitely postponed. pp. 14935-7
10. MINERALS. Passed as reported H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. p. 14937
Passed as reported H. R. 8134, to effect a statutory withdrawal of certain former Taylor Grazing Act lands near Phoenix, Ariz. from all forms of entry under the public land laws. pp. 14937-8
11. TARIFFS. Passed as reported H. R. 10928, to transfer casein or lactarene to the free list of the Tariff Act of 1930. pp. 14944-5
12. FOREIGN TRADE. Sen. Keating commended the proposal to develop a World Trade Center in New York. pp. 14895-7
13. COMMITTEE ASSIGNMENTS. Sen. Javits was excused from further service on the Banking and Currency Committee and assigned to the Appropriations Committee. Sen. Murphy was excused from further service on the Labor and Public Welfare

owned Venezuelan subsidiary of a U.S. owner, and placed under Venezuelan registry and flag. The Standard Dredging Corp. of New Jersey is the parent of the Venezuelan corporation.

We have been informed that these vessels were transferred to the Venezuelan subsidiary of Standard Dredging Corp. of New Jersey at the insistence of the Venezuelan Government. The parent corporation was then engaged in performing a dredging contract in Venezuela, and was operating the said vessels as tenders and other auxiliary equipment for its dredge, the *Jamaica Bay*. As a prerequisite to the continuance of these dredging operations in that country, the Venezuelan Government insisted that all these attendant vessels be transferred to ownership in a Venezuelan corporation and to Venezuelan flag and registry. After obtaining permission from the Maritime Administration, these transfers were effected.

We have also been informed that since the end of World War II, Standard Dredging Corp. has performed dredging contracts in Cuba, Colombia, Jamaica, Aruba, Curacao, Egypt, and Iraq, and that none of these countries required the transfer of the tugs and barges to foreign ownership and registry.

It should be noted that section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), would not be pertinent to the documentation of these vessels. This section forbids the registration of foreign-built vessels for use in the coastwise trade, whereas these vessels are all American built.

Section 27 of the Merchant Marine Act, 1920, as amended (46 U.S.C. 883), is applicable, since it prevents a U.S.-built vessel which is transferred to foreign ownership or registry from acquiring the right to re-enter the coastwise trade.

It is our opinion that this bill and the surrounding circumstances with respect to these vessels are somewhat similar to those involved in Private Law 86-203, 86th Congress, which authorized U.S. redocumentation with coastwise privileges of the vessel *John F. Drew*, a then Canadian vessel utilized for dredging and marine construction operations in the St. Lawrence Seaway and power development project. It is the understanding of this Department that if the vessels specified in the bill were permitted to be redocumented in the United States with coastwise privileges, they would be used only to attend a large dredge in performing dredging operations in U.S. waters and not generally to engage in the coastwise trade. If the bill is amended to limit the operation of the vessels in this way, we would have no objection to enactment.

The bill could be amended to carry out our recommendation as follows:

1. Page 4, line 19, insert after the word "trade" a comma and the words "but only as an incident to dredging operations" and a comma.

2. Page 4, line 20, insert after the word "merchandise" a comma and the words "as an incident to dredging operations" and a comma.

3. Page 5, line 4, strike out the period and insert in lieu thereof a comma and the following: "and so long as such corporation is a citizen of the United States as defined in section 2 of the Shipping Act, 1916. If any such vessel, while documented pursuant to this Act, transports merchandise or passengers in the coastwise trade except as an incident to dredging operations, such vessel shall be forfeited to the United States, such merchandise shall be forfeited to the United States, and the vessel owner shall be subject to a penalty of \$200 for each such passenger transported. Any penalty or forfeiture incurred under the provisions of this Act may be remitted or mitigated by the Secretary of the Treasury in accordance with the provisions of section 5294 of the Revised Statutes (46 U.S.C. 7)."

The penalties and forfeitures provided by the proposed amendments are the same as those provided by existing law for operation of a vessel in violation of its license and for violation of section 27 of the Merchant Marine Act, 1920.

Attached is a comparative test showing the changes our proposed amendments would make in the bill.

The Bureau of the Budget advises there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

C. D. MARTIN, Jr.,
Acting Secretary of Commerce.

"EUGENIE II"

The bill (S. 3264) to authorize and direct the Secretary of the Treasury to cause the vessel *Eugenie II*, owned by J. C. Strout, of Milbridge, Maine, to be documented as a vessel of the United States with full coastwise privileges, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), the Secretary of the Treasury is authorized and directed to cause that certain vessel now known as the Eugenie II, built in 1955 in New Brunswick, and now owned by J. C. Strout, of Milbridge, Maine, to be documented as a vessel of the United States with full coastwise privileges, upon compliance with the usual requirements, so long as the vessel is owned, and shall continue to be owned by a citizen of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1798), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

REASON FOR THE BILL

The *Eugenie II* was built in New Brunswick, Canada, in 1955, and hence is not eligible (1) under the provisions of section 27 of the Merchant Marine Act, 1927, to transport merchandise between points in the United States, and (2) under section 4132 of the Revised Statutes (46 U.S.C. 11) to be documented for operation in the coastwise trade. The vessel is owned by J. C. Strout, a U.S. citizen, of Milbridge, Maine, who proposes to use it to supply charter boat and mail service in that area if this bill is enacted. Your committee is informed that no such service is presently available, and that its initiation would be a welcomed addition to the economy of the area.

The vessel is 50 feet in length, and is of approximately 15 net tons.

The Department of Commerce reports that, in view of the small size of the vessel, it has no objection to favorable consideration of the bill, if there is no objection on the part of the Treasury Department whose responsibility it is to administer, through the Bureau of Customs, the navigation laws which cover the documentation of vessels.

FORT BOWIE NATIONAL HISTORIC SITE, ARIZONA

The bill (S. 55) to authorize the establishment of the Fort Bowie National Historic Site, in the State of Arizona, and for other purposes, was considered,

ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to designate, for preservation as the Fort Bowie National Historic Site, the site and remaining historic structures of old Fort Bowie, situated in Cochise County, Arizona, together with such additional land, interests in land, and improvements thereon, as the Secretary in his discretion may deem necessary to accomplish the purposes of this Act: Provided, That the Secretary shall designate no more than one thousand acres for inclusion in said site.

SEC. 2. Within the area designated pursuant to section 1 hereof, the Secretary of the Interior is authorized, under such terms, reservations, and conditions as he may deem satisfactory, to procure by purchase, donation, with donated funds, exchange, or otherwise, land and interests in land for the national historic site. When the historic remains of old Fort Bowie and all other privately owned lands within the aforesaid designated area have been acquired as provided in this Act, notice thereof and of the establishment of the Fort Bowie National Historic Site shall be published in the Federal Register. Thereupon all public lands within the designated area shall become a part of the Fort Bowie National Historic Site.

SEC. 3. The Fort Bowie National Historic Site, as constituted under this Act, shall be administered by the Secretary of the Interior as a part of the national park system, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended, the Historic Sites Act of August 21, 1935 (49 Stat. 666), and all laws and regulations of general application to historic areas within the national park system.

SEC. 4. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 1800), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

HISTORICAL SIGNIFICANCE OF FORT BOWIE

Established in Arizona in 1862 and abandoned in 1894, Fort Bowie served in that period as the focal point of military operations during the subjugation of the hostile Apache Indians and the settlement of the Southwest. During that time, bloody campaigns were waged against the Chiricahua Apaches under their famed chieftain, Cochise, and later against the renegade Apaches under the leadership of Geronimo. Geronimo was captured and exiled in 1886 and peace was restored.

Fort Bowie was established in Apache Pass which was also the location of a stage station utilized by the Overland Mail Co. Apache Pass was considered the most hazardous point along the entire Butterfield Trail which extended some 2,651 miles along the wilderness between points of origin in St. Louis and Memphis to the western terminus in San Francisco. From 1858 until the Civil War forced its abandonment in 1861, the Butterfield Trail was an important link between the East and the West. It was the first mail and stage route to California from the eastern part of the United States.

PURPOSE OF S. 55

Enactment of the reported bill would authorize the Secretary of the Interior to design-

nate for preservation as the Fort Bowie National Historic Site the site and remaining historic structures of Fort Bowie and such additional land as is deemed necessary to preserve the fort and its historic environs. Actual boundaries within a 1,000-acre limitation would be designated by the Secretary and such designation would be contingent upon the acquisition of privately owned lands within the boundaries. The lands presently proposed for development aggregate about 900 acres, of which approximately 630 acres are public lands and the remaining 270 acres are private lands.

Portions of the original adobe building at Fort Bowie are still standing and the substantial stone foundations are clearly defined. It would be relatively easy to locate and identify other fort structures so as to reconstruct this great chapter in our country's history. Presentation of the story could be accomplished by partial or complete restoration of some of the buildings or through appropriate museum and other interpretative features.

ESTIMATED COSTS

The value of privately owned lands involved in the proposal is estimated to be approximately \$50 per acre, or \$13,000. Costs of developing the area for public use and enjoyment are estimated at approximately \$515,000 and annual administrative costs would approximate \$26,000.

FIVE FORKS BATTLEFIELD

The bill (H.R. 10276) to change the name of the Petersburg National Military Park, to provide for acquisition of a portion of the Five Forks Battlefield, and for other purposes was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1801), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The principal purpose of this bill is to authorize the Secretary of the Interior to acquire 1,200 acres of land at the Five Forks battlefield site in Virginia and to administer them as part of the Petersburg National Military Park, a unit of the national park system. A further purpose is to change the name of this park to Petersburg National Battlefield.

H.R. 10276 was introduced by the Honorable WATKINS M. ABBITT following receipt of an executive communication requesting consideration of such a bill.

NEED

Petersburg National Military Park was established July 3, 1926. Its 1,531 acres, the present statutory limit, however, do not include the lands on which the Battle of Five Forks was fought. This battle is regarded by historians as the most important of the nine engagements which were fought during the Civil War to gain or retain control of Petersburg and thereby to dominate the railway approaches to Richmond. Five Forks, moreover, was the immediate forerunner of Appomattox, which marked the end of the Confederacy. It was at Five Forks that General Sheridan's 30,000 men overwhelmed General Pickett's Confederate forces on April 1, 1865.

A substantial part of the 1,200 acres proposed to be acquired are in such condition that they still display historic features associated with the battle. These features can readily be preserved. The acreage, which is

in 11 ownerships, is for the most part undeveloped. There are indications that some parts of it will be donated to the Government if its acquisition is authorized.

Petersburg National Military Park already attracts well over half a million visitors a year. With inclusion of the Five Forks site in it, it will undoubtedly attract a much larger number and will thus serve to bring home to the American public the significance of one of the most important of the battles of the Civil War.

GOVERNMENT IMPROVEMENTS UNDER CONCESSION CONTRACTS

The bill (H.R. 11405) to provide for the maintenance and repair of Government improvements under concession contracts entered into pursuant to the Act of August 26, 1916 (39 Stat. 535), as amended, and for other purposes was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1802), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this bill is to authorize the Department of the Interior to continue its longstanding practice of requiring concessionaires who utilize Government-owned buildings in areas administered by the National Park Service to be responsible for the maintenance and repair of those buildings.

NEED

Throughout the national park system there are many buildings which have been constructed by the Government or which were acquired by it at the time the lands on which they stand were acquired. Some of these buildings are occupied by concessionaires furnishing services to the public—restaurants, sleeping accommodations, souvenir stands, service stations, and the like. There are also buildings occupied by such concessionaires which have been constructed by and for themselves but to which the Government holds the title.

It has been normal practice for many years for the National Park Service to include in its concessionaire contracts provisions obligating the concessionaire to keep the buildings he occupies in good repair. Such provisions serve to reduce the appropriations which would have to be made if the Government had to repair and maintain these buildings. They also permit the party who is actually in charge of the buildings to coordinate his maintenance work with his other operations.

Recently, however, the Comptroller General has held that the practice of including such provisions in concessionaire contracts is illegal. He did so notwithstanding the conclusions stated in his report to the House committee on H.R. 11405 that—

Our reviews of National Park Service operations have not disclosed any findings that might lead us to a conclusion that the practice is objectionable from an accounting standpoint.

There is likewise no intimation that the practice involves any loss to the Government or has otherwise led to abuses. His holding appears to have been based solely on the inconsistency between such provisions and the terms of section 321 of the act of June 30, 1932 (47 Stat. 412), as amended (40 U.S.C. 303b), the text of which is set out in his report attached hereto.

In view of the advantages both to the Government and to the concessionaires

which flow from the practice described above and the lack of any showing of disadvantage, the committee finds it desirable and necessary that H.R. 11405 be enacted.

BILL PASSED OVER

The bill (S. 3235) to facilitate the work of the Forest Service, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

The bill (S. 3574) to extend the International Wheat Agreement Act of 1949 was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Wheat Agreement Act of 1949, as amended, is further amended as follows:

(1) The first sentence is amended by striking out the language in the first parenthesis and all that follows in such sentence and inserting in lieu thereof the following: "signed by the United States and certain other countries revising and renewing such agreement of 1949 for periods through July 31, 1965 (hereinafter collectively called the 'International Wheat Agreement')".

(2) There is inserted immediately before the last sentence the following new sentence: "Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1804), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3574) to extend the International Wheat Agreement Act of 1949, having considered the same, report thereon with a recommendation that it do pass without amendment.

This bill would extend the International Wheat Agreement Act of 1949 to cover the International Wheat Agreement, 1962. Its sole purpose is to implement that agreement, which has already been ratified with the advice and consent of the Senate.

Under the agreement each importing country undertakes, when prices are within the agreement range, to purchase from member exporting countries a specified percent of its total commercial purchases from all sources, whatever that total may be. Exporting countries in association with one another undertake to make wheat available to member importing countries at prices within the range to enable them to fulfill their obligations, except that if prices reach the maximum, exporting countries then are obligated to furnish importing countries with certain

quantities based on historical commercial trade during a previous period, before prices may move above the maximum. In the 1962 agreement, the maximum and minimum prices are 12½ cents per bushel and higher than those of the 1959 agreement; namely, \$2.02½ and \$1.62½, respectively, in terms of a basic wheat at a basing point at the head of the Great Lakes.

The act authorizes the President, acting through the Commodity Credit Corporation, to make available such quantities of wheat and wheat flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States, and to take certain other action necessary in the implementation of the agreement.

Passage of the bill was requested by the Department of Agriculture.

BACKGROUND INFORMATION

The following constitutes background information pertinent to the extension of the International Wheat Agreement Act of 1949, as amended, to implement U.S. membership for the ensuing 3 years in the 1962 International Wheat Agreement. The Senate gave its advice and consent for ratification of the agreement on July 9, 1962.

SCOPE OF WHEAT AND FLOUR TRADE INVOLVED

The rights and obligations under the agreement are of necessity restricted to commercial trade, inasmuch as exports under special Government programs, notably Public Law 480 and noncommercial barter (United States) and under the Colombo plan and export credits insurance (Canada), by their very nature do not involve rights and obligations such as attach to trade under a multilateral agreement.

U.S. exports of wheat and flour for the crop-year just ended June 30, 1962, are expected to total around 710 million bushels. A preliminary estimate of the composition of this trade is as follows:

	Million bushels
(1) Commercial sales to IWA member importing countries.....	160
(2) Commercial sales to other exporting countries and to nonmember countries.....	55
(3) Sales to all countries under title I, Public Law 480.....	410
(4) Sales to all countries under title IV, Public Law 480.....	7
(5) Noncommercial barter sales to all countries.....	28
(6) Donations to all countries.....	50
Total exports.....	710

Only the segment of trade in category (1) comes under the rights and obligations of the wheat agreement for the reasons mentioned above, and also inasmuch as trade so covered is restricted to exports to member importing countries, the concept of the agreement being one of a multilateral contract between importing purchasers and exporting suppliers.

Under the 1962 agreement, and likewise under the proposed implementing legislation, "member importing countries" is intended to include importing countries with "provisional" membership. The 1962 agreement recognizes a provisional membership to accommodate those countries which participated in the negotiations but whose legislatures do not find it possible to ratify before the agreement comes into force. In such a case an interim instrument is deposited; i.e., an intention to seek acceptance or accession in accordance with the country's constitutional procedures. This allows a country time to conclude those formalities, and the provisional membership expires upon deposit of the full instrument of acceptance or upon expiry of the period granted by the Wheat

Council for its deposit, but in no case later than July 31, 1963.

The agreement also recognizes the practical necessity for the concluding of export transactions in advance of shipment, and the inevitable circumstance that some sales for loading the first crop-year in the agreement will be made before some countries have been able to deposit instruments of acceptance or accession. Accordingly, the criterion for recording transactions under the agreement is not the time of consummation of the transaction, but is whether or not the loading period falls within the term of the agreement.

It is the intention that the reimbursement to the Commodity Credit Corporation which in the proposed legislation is authorized to be appropriated, should include net costs to the Corporation with respect to all transactions which qualify as commercial purchases (as defined in the agreement) from the United States by member and "provisional" member importing countries, on the same basis recognized by the Wheat Council.

U.S. PROGRAM UNDER THE AGREEMENT

The Commodity Credit Corporation program which has been conducted pursuant to the International Wheat Agreement Act of 1949, as amended, enables commercial wheat exporters and millers to purchase wheat at domestic market prices and to sell the wheat, or wheat flour product, to purchasers in wheat agreement importing countries, at prices consistent with the agreement price range, in competition with other exporters in the world market. The program costs in connection with these exports are occasioned by reason of the U.S. domestic price of wheat being higher than the competitive world price. The cost per bushel—and this has been the case since 1953—is the difference between the domestic price at ports and the competitive world price as it moves within the limits of the agreement price range. Should prices advance to the maximum, then the program cost per bushel would be the difference between the domestic price and the U.S. equivalents of the agreement maximum, until the U.S. quantitative commitment had been fulfilled, and then prices could advance higher with a compensating reduction in the program cost.

The Wheat Agreement Act of 1949, as amended, requires the Commodity Credit Corporation, in making wheat available under the agreement, to have regard for its responsibility to utilize the usual and customary channels, facilities, and arrangements of trade and commerce to the maximum extent practicable. During the life of the 1959 agreement, all exports of wheat and wheat flour under the agreement were accomplished through the private trade. Insofar as practicable, practices and procedures applicable to ordinary commercial exports are permitted and encouraged. The program requirements are such as to make participation practicable for small business or for any exporter regularly engaged in the exportation of wheat or wheat flour.

Under the program, an exporter in the private trade negotiates a sale of wheat or wheat flour with a buyer in a wheat agreement importing country, in the knowledge of export payment rates which are publicly announced each day by the Commodity Credit Corporation after grain markets have closed. The exporter reports the sale by telegraph to the CCC, and if the transaction is eligible he receives registration under the program within a few hours. He later accomplishes the exportation and upon presentation of evidence of sale and proof of exportation he collects the export payment from an office in his area at the rate per bushel of wheat or hundredweight of flour which prevailed at the time the sale was made. In the case of wheat, the export payment is made in the form of a negotiable

certificate which is redeemable only in wheat from Commodity Credit stocks at the domestic market price. This wheat is utilized only in connection with further exports under the program.

EXPORT PROGRAM COSTS

The average payment on combined wheat and flour exports under the wheat agreement during the fiscal year 1960–61 was 57 cents per bushel. This is approximately the low point for any annual average since the beginning of the agreements in 1949 except for 1953–54 when the average was 44 cents; the highest annual average was 79 in 1956–57; and the overall average since 1949 was 63½ cents. It is difficult to estimate the program costs during the life of the 1962 agreement due to the uncertainties inherent in two of the three principal determinative factors; namely, (1) the volume of trade, (2) the level of domestic market prices, and (3) the future export prices which will need to be established in order to remain fully competitive in the world market. The volume of commercial sales to member importing countries is expected to be about 160 million bushels annually. The domestic price factor may be expected to operate to increase unit costs although this depends upon the level of domestic market prices whereas present conditions would indicate that the third factor—the export price—may to some extent decrease unit costs. The closest estimate possible at this time is 65 cents per bushel with a possibility of reaching 70 cents if domestic markets rise materially; or conversely, a lowering of the cost per bushel, should conditions lead to a domestic market decline.

The following information relating to the 1962 International Wheat Agreement is pertinent to the proposed implementing legislation:

PROSPECTIVE MEMBERSHIP

Forty-eight countries participated in the 1962 United Nations Negotiating Conference, but seven of these were importing countries which did not subscribe a percentage obligation prior to the adjournment of the Conference; consequently, only 41 countries are inscribed in the agreement.

Under the terms of the agreement, it was brought into force in its administrative aspects on July 16, 1962, and operationally on August 1, 1962, by the deposit of instruments of acceptance or accession (including provisional instruments in some cases) by countries holding the requisite number of votes.

The membership status as of August 1, 1962, was as follows:

	Exporting countries	Importing countries	Total
Countries which had deposited final instruments of acceptance or accession.....	4	12	16
Countries which had deposited provisional instruments of acceptance or accession.....	4	10	14
Countries granted extension for the deposit of instruments.....	2	5	7
Countries not granted extensions (which did not sign the agreement) which may seek accession as new members.....		4	4
Total inscribed in agreement.....	10	31	41

NOTE.—The names of the countries in the foregoing categories are listed in "App. I: Exporting Countries," and "App. II: Importing Countries."

OBLIGATION OF IMPORTING COUNTRIES

Each member importing country undertakes to purchase from member exporting countries a specified percentage of its total commercial purchases from all sources, what-

ever that total may be. The weighted average of the percentages subscribed by all importing countries under the 1962 agreement is approximately 81 percent. This takes into account the prospective membership of the U.S.S.R. At the level of trade during the crop-years 1959-60 and 1960-61, commercial purchases from all sources aggregated around 590 million bushels.

It is expected that the member importing countries will buy within the agreement a much greater proportion of their total commercial requirements than the 81 percent subscribed. Under the previous (1959) agreement, when the weighted average subscribed was 70 percent, the actual commercial purchases for the crop-years 1959-60 and 1960-61 approximated 92½ percent.

The importers' obligation exists at the agreement minimum price and throughout the range up to the maximum price. The right of the United States and other exporting countries is to sell this guaranteed percentage that the member importers purchase. This benefit is global in the sense that exporting countries compete with one another in selling importing countries their requirements.

OBLIGATION OF EXPORTING COUNTRIES

The obligation of exporting countries exists if the price reaches the agreement maximum. Then they undertake to furnish any quantities not already purchased in that year, up to a moving average equal to importers' historical commercial purchases during a 4-year period. To purchase up to these quantities at the maximum price, before prices may go any higher, is the importing countries' right. The maximum obligation of the United States, at the maximum price, for the crop-year 1961-62 was 163 million bushels. During the life of the 1962 agreement, the maximum obligation each year could be expected to continue at about this figure. Exporters' obligations are global in the sense that an exporting country may discharge its obligation by selling to any member importing countries until the exporter's overall commitment has been fulfilled.

It is interesting to note that commercial sales by the United States for the current year 1961-62 subject to the terms of the agreement, secured competitively under non-maximum price conditions (projected on the basis of the volume recorded during the first 11 months), totals around 160 million bushels. This approximates the total quantity mentioned in the preceding paragraph which the United States could have been called upon to furnish had prices reached the maximum.

THE PRICE RANGE

The basic maximum and minimum prices in the 1962 agreements are \$2.02½ and \$1.62½ per bushel, respectively, compared with \$1.90 and \$1.50 in the expiring agreement. These prices are on a gold basis (i.e., equal to U.S. currency) and are in terms of a basic grade and a basing point; namely, No. 1 Manitoba Northern wheat in bulk in store at the head of the lakes.

The equivalents of the agreement basic prices at U.S. ports are determined on the basis of prevailing transportation rates to destinations. As an example, the current f.o.b. equivalents at U.S. gulf ports of the new agreement basic prices are approximately \$2.16 maximum and \$1.76 minimum. For practical purposes of comparison, these prices must be further interpreted in terms of classes and grades in relation to the basic grade. The United States establishes differentials for its various classes and grades as required in the light of competitive world prices.

Shorter supplies of hard wheats in the higher protein brackets, and price advances of these qualities during the last half of 1961 and early 1962, were factors favorable

to the obtaining of the increase in the agreement price range at the negotiating conference. However, this was accomplished in the face of remaining large supplies of ordinary protein wheats and a concerted resistance to price increase on the part of developing countries. Although purchases by developing countries are largely under Government-assisted programs rather than commercial, nonetheless they opposed a higher price range, and by and large it was the industrialized commercial buyers which enabled the United States and other exporting countries to negotiate the price increase.

AGREEMENT ADMINISTRATION

The agreement is administered internationally by a Wheat Council composed of member countries of the agreement. Votes are divided equally between exporting countries and importing countries, with each group having 1,000 votes. The United States holds 290 of the 1,000 exporter votes in the Council.

The U.S. pro rata proportion of the cost of administration under the 1959 agreement averaged \$22,600 annually, which is about one-sixtieth of a cent per bushel of wheat exported under the agreement.

Exporting countries inscribed in the 1962 agreement

Exporting country	Member of 1959 agreement	Inscribed in 1962 agreement	Status as of Aug. 1, 1962		
			Instrument of full membership deposited	Instrument of provisional membership deposited	Granted extension for deposit of instrument of acceptance
1. Argentina.....	X	X		X	
2. Australia.....	X	X	X		
3. Canada.....	X	X	X		
4. France.....	X	X			X.
5. Italy.....	X	X		X	
6. Mexico.....	X	X			X.
7. Spain.....	X	X		X	
8. Sweden.....	X	X		X	
9. United States.....	X	X	X		
10. U.S.S.R.....	Nonmember	X	X		

Importing countries inscribed in the 1962 agreement

Importing country	Percent commercial purchases pledged		Status as of Aug. 1, 1962			
	1959	1962	Instrument of full membership deposited	Instrument of provisional membership deposited	Extensions granted	See footnote 1
1. Austria.....	45	60	X			
2. Belgium-Luxembourg.....	80	90		X		
3. Brazil.....	50	30		X		
4. Cuba.....	90	90	X			
5. Dominican Republic.....	90	90			X	
6. Federal Republic of Germany.....	70	87½		X		
7. India.....	70	70	X			
8. Indonesia.....	70	70			X	
9. Ireland.....	90	90	X			
10. Israel.....	60	60		X		
11. Japan.....	50	85		X		
12. Republic of Korea.....	90	90	X			
13. Netherlands.....	75	90		X		
14. New Zealand.....	90	90	X			
15. Nigeria.....	90	80	X			
16. Norway.....	60	90	X			
17. Philippines.....	70	80		X		
18. Portugal.....	85	85			X	
19. Rhodesia and Nyasaland.....	90	90	X			
20. Saudi Arabia.....	70	70	X			
21. South Africa.....	90	90	X			
22. Switzerland.....	80	87		X		
23. United Arab Republic.....	30	30		X		
24. United Kingdom.....	80	90	X			
25. Vatican City.....	100	100	X			
26. Venezuela.....	70	60			X	
27. Ceylon.....	(2)	80				X.
28. Iran.....	(2)	80				X.
29. Liberia.....	(2)	70			X	
30. Libya.....	(2)	70				X.
31. Poland.....	(2)	50				X.

17 additional importing countries participated in the 1962 Negotiating Conference but did not specify a percentage undertaking and consequently were not inscribed in the agreement. 2 of these countries, Finland and Greece, applied to the International Wheat Council for accession after the agreement came into force on July 16, 1962. The applications were approved and the countries are now placing membership before their legislatures. The other 5 countries in this category may seek accession in the same manner in the future. These countries are Colombia, Denmark, Morocco, Pakistan, and Syria.

9 importing countries which were members of the 1959 agreement did not participate in the 1962 Negotiating Conference. One of these countries, El Salvador, applied for accession after the agreement came into force on July 16, 1962. The application was approved by the Wheat Council and the deposit of the instrument of accession is pending. The other 8 countries in this category are Costa Rica, Guatemala, Haiti, Honduras, Iceland, Panama, Peru, and Sierra Leone. Sierra Leone has applied for accession but the Wheat Council has not yet had opportunity to act on it.

Of the 41 exporting and importing countries inscribed in the agreement, all but 4 have deposited instruments, either final or provisional, or have been granted extensions for deposit. The 4 which have not been granted extensions have not applied therefor, nor did they sign the agreement during the prescribed period. These countries are Ceylon, Iran, Libya, and Poland. They are privileged to apply to the Wheat Council for accession under art. 35(4) of the agreement which authorizes the Council by ¾ votes of exporting countries and ¾ votes of importing countries to approve accession by the government of any member of the United Nations or the specialized agencies or by any government which was a member of the 1959 wheat agreement.

2 Not member of 1959 agreement.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 20, 1962.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress a draft of legislation which would amend the international Wheat Agreement Act of 1949, as amended, to extend the authority contained in the act to implement the 1962 International Wheat Agreement to which the Senate has given its advice and consent for ratification.

Enactment by the Congress of this proposed implementing legislation is recommended. Under its provisions certain action is authorized to secure the benefits and discharge the obligations of the United States under the agreement, upon the expected entry into force of the operational provisions of the agreement on August 1, 1962. This proposed legislation also is being submitted to the Speaker of the House of Representatives.

The current agreement, by its own terms, expires on July 31, 1962. The 1962 agreement in effect continues it, with some revisions, for a period ending July 31, 1965. The rights and obligations under the new agreement are similar to those in the 1959 agreement. Each importing country undertakes, when prices are within the agreement range, to purchase from member exporting countries a specified percent of its total commercial purchases from all sources, whatever that total may be. Exporting countries in association with one another undertake to make wheat available to member importing countries at prices within the range to enable them to fulfill their obligations, except that if prices reach the maximum, exporting countries then are obligated to furnish importing countries with certain quantities based on historical commercial trade during a previous period, before prices may move above the maximum. In the 1962 agreement, the maximum and minimum prices are 12½ cents per bushel higher than those of the 1959 agreement; namely, \$2.02½ and \$1.162½, respectively, in terms of a basic wheat at a basing point at the head of the Great Lakes.

The new agreement, like previous ones, covers commercial transactions. As defined in the agreement, this excludes such exports as those pursuant to Public Law 480, bilateral barter, and credit sales where the terms do not conform with those prevailing commercially.

The International Wheat Agreement Act of 1949, as amended, authorizes the President, acting through the Commodity Credit Corporation, to make available or cause to be made available, such quantities of wheat and wheat flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States, and to take certain other action necessary in the implementation of the agreement. Pursuant to this authority the Commodity Credit Corporation has made wheat available by making export payments-in-kind on wheat and cash payments on wheat flour, to commercial exporters, and by the sale to commercial exporters of wheat acquired by the Commodity Credit Corporation under its price-support program; all in connection with exports to importing countries which were members of the wheat agreement. The rate of payment on commercial exports represents the difference between the price of wheat on the domestic market and the selling price of such wheat under the agreement. All transactions are reported to the International Wheat Council for recording.

The 1962 agreement recognizes provisional membership to accommodate those countries which participated in the negotiations but whose legislatures do not find it possible to

ratify before the agreement comes into force. In such a case an interim instrument is deposited; i.e., an intention to seek acceptance or accession in accordance with the country's constitutional procedures. The provisional membership will expire upon deposit of the full instrument of acceptance or upon expiry of the period granted for its deposit, but in no case later than July 16, 1963.

The accompanying draft legislation is intended to cover all exports by the United States of wheat and wheat flour which qualify to be recorded by the International Wheat Council as commercial purchases by member, and provisional member, importing countries.

The President's budget for fiscal year 1963 assumes that the International Wheat Agreement will be extended, and a proposed appropriation of \$81,218,000 is included for this purpose in the budget. In the event that the act is not extended, costs of wheat exports would be financed from funds of the Commodity Credit Corporation.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the President's program.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

BILLS PASSED OVER

The bill (H.R. 8520) to amend the Soil Conservation and Domestic Allotment Act to limit financial and technical assistance for drainage of certain wet lands, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (H.R. 10743) to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3597) to amend title 38, United States Code, to permit for one year the granting of national service life insurance to certain veterans heretofore eligible for such insurance, was announced as next in order.

Mr. MANSFIELD. Mr. President, I believe the bill is not the type which should be considered on the basis of a call of the calendar, so I ask that it go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

TWO-YEAR EXTENSION OF SUSPENSION OF DUTIES ON CERTAIN LATHES

The bill (H.R. 11400) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing, was considered, ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1808), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 11400 is to continue for 2 years, until August 7, 1964, the existing suspension of duties on copying lathes used for making rough or finished shoe lasts from models of shoe lasts and capable of producing more than one size shoe from a single size model of a shoe last.

GENERAL STATEMENT

Public Law 1012 of the 84th Congress, approved August 6, 1958, transferred from the dutiable to the free list of the Tariff Act for a period of 2 years, by amendment of paragraph 1643 of the Tariff Act of 1930, "Copying lathes used for making rough or finished shoe lasts from models of shoe lasts and, in addition, capable of producing more than one size shoe last from a single size model of a shoe last." The suspension of duties has been in effect continuously since that time, 2-year extensions having been enacted on May 16, 1958 (Public Law 85-416), and on June 30, 1960 (Public Law 86-562). H.R. 11400 would continue the suspension for a further 2-year period, until August 7, 1964.

The suspension of duty was made in order to make available to domestic shoe-last manufacturers highly specialized and expensive copying lathes which can only be obtained from foreign sources. The Commerce Department, in recommending enactment of this legislation advised that "the domestic shoe-last manufacturing industry is very much interested in these lathes, since they greatly increase the production of shoe lasts per unit of investment and production costs. This type of equipment is available only from foreign sources. The duty is 13¾ percent, and continuance of the suspension will benefit the shoe-last manufacturing industry without detriment to domestic equipment producers."

The U.S. Tariff Commission states that "it is believed that the lathes being imported are primarily for the use of last manufacturers who find it necessary to replace their older type lathes in order to remain competitive," and that the Commission "has been apprised of no complaints from domestic interests against the suspension of duties."

ARBUCKLE RECLAMATION PROJECT, OKLAHOMA

The Senate proceed to consider the bill (S. 892) to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Oklahoma, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 21, after "(72 Stat. 319)", to insert a comma and "as amended"; on page 3, line 19, after the word "purposes", to insert "so long as the space designated for those purposes may be physically available, taking into account such equitable reallocation of reservoir storage capacities among the purposes served by the project as may be necessary due to sedimentation,"; on page 4, line 10, after the word "to", to strike out "the project water users" and insert "a water users' organization"; on page 6, line 9, after the word "the", to strike out "preservation and propagation" and insert "conservation and development"; and after line 15, to strike out:

Sec. 9. There is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this Act.

And, in lieu thereof, to insert:

SEC. 9. There is authorized to be appropriated for construction of the Arbuckle reclamation project the sum of \$13,340,000 (March 1962 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to construct, operate, and maintain the Arbuckle Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods and for the conservation and development of fish and wildlife, and the enhancement of recreational opportunities. The project shall consist of the following principal works: A reservoir on Rock Creek near Sulphur, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use, and minimum basic recreational facilities.

SEC. 2. In constructing, operating, and maintaining the Arbuckle project, the Secretary shall allocate the costs thereof among different functions resulting from multiple-purpose development under the following conditions:

(a) Allocations to flood control, recreation, and the conservation and development of fish and wildlife shall be nonreimbursable and nonreturnable under the reclamation laws;

(b) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187) under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958 (72 Stat. 319), as amended. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipality or industrial users, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue;

(c) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users, their designee or designees, shall (1) have a permanent right to the use of that portion of the project allocable to municipal water supply purposes so long as the

space designated for those purposes may be physically available, taking into account such equitable reallocation of reservoir storage capacities among the purposes served by the project as may be necessary due to sedimentation, subject, if the project is then operated by the United States, to payment of a reasonable annual charge to the Secretary of the Interior sufficient to pay all operation and maintenance charges and a fair share of the administrative costs applicable to the project; (2) be conveyed title to such portions of the pipelines and related facilities as are used solely for delivering project water to the water users.

SEC. 3. Contracts may be entered into with the water users' organization pursuant to the provisions of this Act without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

SEC. 4. The Secretary is authorized to transfer to a water users' organization the care, operation, and maintenance of the works herein authorized and, if such transfer is made, may deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife and recreation.

SEC. 5. Construction of the Arbuckle project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serve the project requirements and the relative needs for water. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of section 2 of this Act.

SEC. 6. The Secretary may (1) contract for the construction of any part of the minimum basic recreational facilities with any qualified agency of the State of Oklahoma or a political subdivision thereof, and (2) upon conclusion of a suitable agreement with any such agency or political subdivision for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoir of the Arbuckle project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this section applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this section shall be limited to the nonreimbursable costs of the Arbuckle project for minimum basic recreational facilities as determined by the Secretary.

SEC. 7. The Secretary may make such reasonable provision in connection with the works of the Arbuckle Federal reclamation project, in accordance with section 2 of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended, 16 U.S.C. 661, and the following), as he finds to be required for the conservation and development of fish and wildlife.

SEC. 8. Expenditures for Arbuckle Reservoir, and the water supply aqueduct system, may be made without regard to the soil

survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 9. There is authorized to be appropriated for construction of the Arbuckle reclamation project the sum of \$13,340,000 (March 1962 prices), plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the type of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for the operation and maintenance of the project.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1809), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 392, is to authorize construction by the Secretary of the Interior of the multiple-purpose Arbuckle project in south-central Oklahoma. Through the regulation and storage of the flows of Rock Creek, a tributary of the Washita River, the project is designed to provide municipal, domestic, and industrial water supplies, flood control, and fish and wildlife and recreational opportunities.

The communities in the area that would be served by this project have long recognized the need for a dependable water supply but the urgency of the situation became evident during the severe drought of the 1950's. During this period the communities experienced serious shortages of water, even for human consumption and fire protection. At the peak of the drought in 1956, the use of water had to be rationed in the project area. All springs in the area went dry and the water level in the wells dropped as much as 18 feet. While a number of new wells had been drilled recently, the underground water supply is not considered a firm source for meeting the needs in the project area.

In addition to the drought conditions which have prevailed in the area, the communities are experiencing a rapid expansion in population which creates an ever-expanding need for water.

Although the flood-control benefits from the project are not high, they are important. The reservoir would reduce periods of downstream flooding with the suffering and damage consequent thereto. The storage of floodwater in the reservoir during the period of the project operation study, 1922 to 1958, would have prevented all flooding along Rock Creek and reduced the magnitude of floods on the Washita River. Fishing, hunting, and other recreational opportunities in this area are inadequate and the Arbuckle project would assist in meeting these ever-expanding needs.

PLAN OF DEVELOPMENT AND OPERATION

The plan of development provides for construction of the Arbuckle Dam and Reservoir on Rock Creek, a tributary of the Washita River, about 6 miles southwest of the city of Sulphur. The dam would be a rolled-earth type, 139 feet in height, and the reservoir would have a capacity of about 226,000 acre-feet. A total of 45 miles of pipelines, consisting of three separate lines, would deliver water to the project water users. Water treatment and purification would not be a responsibility of the Federal Government.

87TH CONGRESS
2D SESSION

S. 3574

IN THE HOUSE OF REPRESENTATIVES

AUGUST 9, 1962

Referred to the Committee on Banking and Currency

AN ACT

To extend the International Wheat Agreement Act of 1949.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the International Wheat Agreement Act of
4 1949, as amended, is further amended as follows:

5 (1) The first sentence is amended by striking out the
6 language in the first parenthesis and all that follows in such
7 sentence and inserting in lieu thereof the following: "signed
8 by the United States and certain other countries revising and
9 renewing such agreement of 1949 for periods through July
10 31, 1965 (hereinafter collectively called the 'International
11 Wheat Agreement')".

1 (2) There is inserted immediately before the last sen-
2 tence the following new sentence: "Such net costs in connec-
3 tion with the International Wheat Agreement, 1962, shall
4 include those with respect to all transactions which qualify
5 as commercial purchases (as defined in such agreement)
6 from the United States by member and provisional member
7 importing countries, including transactions entered into prior
8 to the deposit of instruments of acceptance or accession by
9 any of the countries involved, if the loading period is not
10 earlier than the date the agreement enters into force."

Passed the Senate August 8, 1962.

Attest:

FELTON M. JOHNSTON,

Secretary.

87TH CONGRESS
2^D SESSION

S. 3574

AN ACT

To extend the International Wheat Agreement
Act of 1949.

AUGUST 9, 1962

Referred to the Committee on Banking and Currency

Aug. 16, 1962

6. RESEARCH. The Rules Committee reported a resolution for the consideration of H. R. 12712, to assist the States to provide additional facilities for research at the State agricultural experiment stations. p. 15760
7. WHEAT. The Banking and Currency Committee reported without amendment S. 3574, to extend the International Wheat Agreement Act of 1949 so as to implement the 1962 International Wheat Agreement (H. Rept. 2246). p. 15760
8. TAXATION. The Ways and Means Committee reported with amendment H. R. 5260, to repeal the 3 cents per pound processing tax on coconut oil (H. Rept. 2239). p. 15760
9. ADMINISTRATIVE PROVISIONS. The Subcommittee on Departmental Oversight and Consumer Relations of the Agriculture Committee voted to report to the full committee with amendments H. R. 12811, to facilitate the work of the Department of Agriculture. p. D738
10. TERRITORIES. The Subcommittee on Departmental Oversight and Consumer Relations of the Agriculture Committee voted to report to the full committee with amendment S. 2121, to provide Federal agricultural services to Guam. p. D738
11. ROADS. Rep. Fallon criticized the freezing of Federal-aid highway funds saying, "This freezing of funds, known officially as reimbursement scheduling, has held back the highway program in a number of States." p. 15759
12. MINING. Rep. Saylor discussed his bill H. R. 12913, to modernize the mining laws of the U. S. pp. 15746-7
13. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar and the Private Calendar will be called on Mon., and that the House will adjourn from Mon., Aug. 20 to Thurs., Aug. 23, and from Thurs., Aug. 23, to Mon., Aug. 27. p. 15757
14. ADJOURNED until Mon., Aug. 20. p. 15760

SENATE

15. FARM PROGRAM. Sen. Mansfield announced that the farm bill will be considered after disposition of the communications satellite bill (pp. 15665, 15679). Sen. Keating expressed opposition to taking up the farm bill and stated that he would "use the balance of my time on the pending satellite bill...so as to defer action on the farm bill" (pp. 15679, 15680).
Sen. McCarthy submitted an amendment intended to be proposed to the farm bill "to add a dairy program to the new version of the Senate farm bill." He stated that his proposed amendment "incorporates the House provision in general." pp. 15684-6
16. FARM LABOR. Sen. Williams, N.J., inserted and commended a letter he received from the executive vice-president of the Council of California Growers stating that the Council "is not planning any...legal action against Secretary of Labor Goldberg, nor does the council intend to bring any such legal action against Secretary Goldberg in the future" in connection with the setting of minimum wages for Mexican farm laborers. pp. 15689-90
17. COMMUNICATIONS. Continued debate on H. R. 11040, the communications satellite bill (pp. 15630-66, 15669-80). By a vote of 68 to 15, tabled an amendment by Sen. Yarborough to require the President to take all necessary steps to insure the availability of the communications satellite system for use by any Federal

agency (pp. 15662-5). By a vote of 64 to 11, tabled an amendment by Sen. Kefauver to provide that the Federal Government would own the satellite system and would "establish an AEC type of direction for space satellite communications" (pp. 15673-8).

18. TAXATION. The Finance Committee reported with amendments H. R. 10650, the proposed Revenue Act of 1962 (S. Rept. 1881). p. 15683
19. ELECTRIFICATION. Sen. Mundt contended that there was no need for enactment of S. 3153, granting the Pacific Northwest first call on power generated at Federal plants in that region and expressed hope the House would not pass it. pp. 15687-8
20. EXTENSION WORK. Sen. Wiley inserted a letter from the director of the extension division of the Univ. of Wisconsin supporting enactment of legislation to improve and strengthen the extension program. p. 15688
21. WATERSHEDS. The plans for works of watershed improvement, recently submitted to Congress by the Budget Bureau, included Duncan Creek, S.C., and Neshobe River, Vt. These were omitted from the list in the Congressional Record. (See Digest 143, item 3.)

ITEMS IN APPENDIX

22. EDUCATION. Extension of remarks of Sen. Wiley inserting a copy of a letter to Rep. Cooley urging a strengthening of vocational and educational training programs. p. A6241
23. BUDGETING. Extension of remarks of Rep. Ryan inserting an article, "Cutting Taxes and Balancing Budgets," analyzing out budgeting methods and the budgeting practices of Western European countries. pp. A6251-2
24. FOREIGN TRADE. Extension of remarks of Rep. Green inserting an address by Under Secretary of Commerce Gudeman, "Trade: Our Problem Is One of Increasing Growth, Both Domestic and Export." pp. A6255-6
25. FOREST LANDS. Extension of remarks of Rep. Johnson, Calif., inserting an article, "Multiple Use as Concept of Land Management." pp. A6261-3
26. TEXTILES. Extension of remarks of Rep. Dent inserting a letter from the Carded Yarn Association on problems "being inflicted because of trade policies." pp. A6264-5
27. FARM PROGRAM. Extension of remarks of Rep. Weaver inserting an editorial, "This Farm Proposal a 'Gasser'", criticizing the CED report on agriculture. p. A6265
28. PRICES; LABELING. Extension of remarks of Rep. MacGregor urging passage of the quality stabilization bill. pp. A6267-8
29. FARM LABOR. Extension of remarks of Rep. Roosevelt urging passage by the House of bills already passed by the Senate to aid migratory farm workers. p. A6270
30. PUBLIC WORKS. Extension of remarks of Rep. Blatnik urging passage of the public works acceleration bill and inserting an explanation of the bill in question-and-answer form. pp. A6282-3

INTERNATIONAL WHEAT AGREEMENT ACT EXTENSION

AUGUST 16, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany S. 3574]

The Committee on Banking and Currency, to whom was referred the bill (S. 3574) to extend the International Wheat Agreement Act of 1949, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The bill would extend for an additional 3 years the necessary implementing legislation to carry out U.S. participation in the International Wheat Agreement. This agreement was originally signed in 1949 and since has been extended at 3-year intervals, the latest extension having been ratified by the Senate on July 9, 1962, by a vote of 79 to 0. Under the 1962 agreement, participating wheat importing countries have agreed to buy on the average of 81 percent of their commercial wheat imports from the United States and nine other wheat exporting countries, at prices within a specified range. S. 3574 would extend the Commodity Credit Corporation's authority to make wheat and wheat flour available for export to exercise our rights and fulfill our obligations under the agreement.

RIGHTS AND OBLIGATIONS UNDER THE 1962 AGREEMENT

Under the International Wheat Agreement of 1962 each importing member country undertakes to purchase from member exporters a specified percentage of its total commercial purchases from all sources. The weighted average of the percentages subscribed by individual importing countries is approximately 81 percent. At the level of trade during the crop years 1959-60 and 1960-61, commercial transactions per year for these countries approximated 590 million bushels.

It is expected that these countries will buy a much greater proportion of their total commercial requirements than the 81 percent subscribed; this percent is the minimum guaranteed under the agreement. This importer obligation exists at the agreement minimum price, and continues throughout the range up to the maximum price established by the agreement. The United States and other exporting countries have the right to sell the guaranteed percentage of importers' purchases, with the added benefit of whatever quantities over and above the subscribed percentages member importers may purchase from them.

The exporting countries' obligation becomes effective if the price reaches the agreement maximum. Then, they must furnish any quantities not already purchased in that year, up to a moving average equal to importers' historical commercial purchases during a 4-year period. Importing countries have the right to purchase up to these quantities at the maximum price. The maximum obligation of the United States, at the maximum price, for the crop year 1961-62 was 163 million bushels.

Transactions involving inconvertible local currency such as sales under Public Law 480, and other transactions which include features introduced by the Government of a country concerned which do not conform with usual commercial practices, do not come within the rights and obligations of the agreement.

THE PRICE RANGE

The price range specified in the 1962 agreement is \$1.62½ to \$2.02½ per bushel. These prices are in terms of a basic grade, No. 1 Manitoba Northern, at a basing point at the head of the Great Lakes.

The price range under the agreement is the result of, and consistent with, world price levels for wheat which have evolved as a result, to some extent, of supply-demand factors, disposal, and pricing policies of the principal wheat exporting countries, and negotiations in connection with the agreement to maintain a reasonable and stable price, scarcity, or surplus conditions notwithstanding.

U.S. PROGRAM UNDER THE AGREEMENT

The Commodity Credit Corporation program which has been conducted pursuant to the International Wheat Agreement Act of 1949, as amended in 1953, 1956, and 1959, enables commercial wheat exporters and millers to purchase wheat at domestic market prices and to sell the wheat, or wheat flour product, to purchasers in IWA importing countries, at prices consistent with the agreement price range, in competition with other exporters in the world market.

Under the program, an exporter in the private trade negotiates a sale of wheat or wheat flour with a buyer in a wheat agreement importing country, in the knowledge of export payment rates which are publicly announced each day by the Commodity Credit Corporation after grain markets have closed. The rate of payment reflects the difference between the domestic price of wheat and the export price. The exporter reports the sale by telegraph to the CCC and if the transaction is eligible, he receives confirmation of eligibility under the program within a few hours. He later accomplishes the exportation and, upon presentation of evidence of sale and proof of export,

he collects the export payment from an office in his area at the rate per bushel of wheat or hundredweight of flour which prevailed at the time the sale was made. In the case of wheat, the export payment is made in the form of a negotiable certificate which is redeemable only in wheat from Commodity Credit stocks at the domestic market price. This wheat is utilized only in connection with further exports under the program.

EXPORT PROGRAM COSTS

The average payment on combined wheat and flour exports under the wheat agreement during the fiscal year 1960-61 was 57 cents per bushel. This is approximately the low point for any annual average since the beginning of the agreements in 1949 except for 1953-54 when the average was 44 cents; the highest annual average was 79 cents in 1956-57; and the overall average since 1949 was 63½ cents. It is difficult to estimate the program costs during the life of the 1962 agreement due to the uncertainties inherent in two of the three principal determinative factors; namely, (1) the volume of trade, (2) the level of domestic market prices and (3) the future export prices which will need to be established in order to remain fully competitive in the world market. The volume of commercial sales to member importing countries is expected to be about 160 million bushels annually. The domestic price factor may be expected to operate to increase unit costs although this depends upon the level of domestic market prices, whereas present conditions would indicate that the third factor—the export price—may to some extent decrease unit costs. The closest estimate possible at this time is 65 cents per bushel with a possibility of reaching 70 cents if domestic markets rise materially; or conversely, a lowering of the cost per bushel, should conditions lead to a domestic market decline.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

* * * * *

SEC. 2. The President is hereby authorized, acting through the Commodity Credit Corporation, to make available or cause to be made available, notwithstanding the provisions of any other law, such quantities of wheat and wheat-flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement of 1949 signed by Australia, Canada, France, the United States, Uruguay, and certain wheat importing countries, along with the agreements [the agreement of 1953, the International Wheat Agreement, 1956, and the International Wheat Agreement, 1959, signed by the United States and certain other countries) revising and renewing such Agreement of 1949 for periods through July 31, 1962 (hereinafter collectively called the "International Wheat Agreement")] *signed by the*

United States and certain other countries revising and renewing such agreement of 1949 for periods through July 31, 1965 (hereinafter collectively called the "International Wheat Agreement"). Nothing herein shall be construed to preclude the Secretary of Agriculture, in carrying out programs to encourage the exportation of agricultural commodities and products thereof pursuant to section 32 of Public Law 320, Seventy-fourth Congress, as amended, from utilizing funds available for such programs in such manner as, either separately or jointly with the Commodity Credit Corporation, to exercise the rights, obtain the benefits, and fulfill all or any part of the obligations of the United States under the International Wheat Agreement or to preclude the Commodity Credit Corporation in otherwise carrying out wheat and wheat-flour export programs as authorized by law. Nothing contained herein shall limit the duty of the Commodity Credit Corporation to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in making available or causing to be made available wheat and wheat-flour hereunder. The pricing provisions of section 112(e) of the Economic Cooperation Act of 1948 and section 4 of the Act of July 16, 1943 (57 Stat. 566), shall not be applicable to domestic wheat and wheat-flour supplied to countries which are parties to the International Wheat Agreement and credited to their guaranteed purchases thereunder on and after August 1, 1949, and up to and including June 30, 1950. Where prices in excess of the International Wheat Agreement prices have been paid for such wheat and wheat-flour financed by the Economic Cooperation Administration on or after August 1, 1949, and up to and including June 30, 1950, the Secretary of Agriculture or Commodity Credit Corporation is authorized to reimburse the Economic Cooperation Administration for such excess amounts. Funds realized from such reimbursement shall revert to the respective appropriation or appropriations from which funds were expended for the procurement of such wheat and wheat-flour. There are hereby authorized to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs of carrying out its functions hereunder. Such net costs in connection with the International Wheat Agreement, 1959, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by importing member countries. *Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force.* The Commodity Credit Corporation is hereby authorized in carrying out its functions hereunder to utilize, in advance of such appropriations or payments, any assets available to it.

Union Calendar No. 935

87TH CONGRESS
2D SESSION

S. 3574

[Report No. 2246]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 9, 1962

Referred to the Committee on Banking and Currency

AUGUST 16, 1962

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To extend the International Wheat Agreement Act of 1949.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 2 of the International Wheat Agreement Act of
4 1949, as amended, is further amended as follows:

5 (1) The first sentence is amended by striking out the
6 language in the first parenthesis and all that follows in such
7 sentence and inserting in lieu thereof the following: "signed
8 by the United States and certain other countries revising and
9 renewing such agreement of 1949 for periods through July
10 31, 1965 (hereinafter collectively called the 'International
11 Wheat Agreement')".

1 (2) There is inserted immediately before the last sen-
2 tence the following new sentence: "Such net costs in connec-
3 tion with the International Wheat Agreement, 1962, shall
4 include those with respect to all transactions which qualify
5 as commercial purchases (as defined in such agreement)
6 from the United States by member and provisional member
7 importing countries, including transactions entered into prior
8 to the deposit of instruments of acceptance or accession by
9 any of the countries involved, if the loading period is not
10 earlier than the date the agreement enters into force."

Passed the Senate August 8, 1962.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To extend the International Wheat Agreement
Act of 1949.

August 9, 1962

Referred to the Committee on Banking and Currency

August 16, 1962

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

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HIGHLIGHTS: Rep. Avery objected to request to appoint conferees on farm bill. House passed bill to extend International Wheat Agreement. House subcommittees voted to report bills for cooperation with States in administration of Federal laws, to increase FHA loan limitation, and for lease and transfer of tobacco acreage allotments. House passed bill for housing for elderly in rural areas. Sen. Morse commended study of Federal rangelands. Sen. Humphrey expressed concern over effects of radioactive fallout on milk. Sen. Wiley urged issuance of handbook on farm laws. Senate committee voted to report measure for designation of National School Lunch Week. Senate committee reported independent offices appropriation bill. Sen. Fulbright introduced and discussed bill for holding World Food Congress.

SENATE

1. FORESTRY. Sen. Morse commended the joint USDA-Interior study of Federal rangelands. p. 16669
2. SCHOOL LUNCH. The Judiciary Committee voted to report (but did not actually report) S. J. Res. 211, providing for the designation of a week each year as National School Lunch Week. p. D772
3. FARM PROGRAM. Sen. Wiley renewed his request for this Department to prepare a "simplified handbook on farm laws and programs," and inserted a letter from USDA on the problems involved in preparation of such a handbook. pp. 16667-8

4. MILK. Sen. Humphrey urged a ban on the testing of nuclear weapons, stated that last week dairy farmers in Minn. removed their cows from pasture because of the mounting accumulation of radioactive iodine 131 in local milk supplies, and inserted an article, "Minnesota Acts on Iodine in Milk." pp. 16741-7
5. INDEPENDENT OFFICES APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12711 (S. Rept. 1923). p. 16655
6. BUILDINGS. The Foreign Relations Committee reported with amendment H. R. 11880, to authorize additional appropriations for the acquisition of sites and buildings in foreign countries for use by U. S. personnel (S. Rept. 1925). p. 16655
7. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962. pp. 16672-5, 16676-735, 16748-9
Sens. Gore, Sparkman, and Cannon submitted amendments intended to be proposed to this bill. p. 16657
8. TRANSPORTATION. Sen. Kefauver stated that current proposals for railroad mergers is "one of the broadest and boldest attempts at economic concentration in the history of our Nation." pp. 16735-40
9. EDUCATION; PERSONNEL. Sen. Proxmire expressed concern over the decrease in college graduates in the field of engineering and inserted an article, "Government, Profession Seek Reasons for Drop in Student Enrollments." pp. 16658-60
10. WEATHER. Both Houses received from the President the National Science Foundation report on weather modification for fiscal year 1961 (H. Doc. 534). pp. 16654, 16637
11. FEDERAL REGISTER. Both Houses received from GSA a proposed bill "to amend further section 11 of the Federal Register Act, as amended"; to S. Government Operations and H. Judiciary Committees. pp. 16652, 16655
12. ECONOMY. Sen. Proxmire compared the growth of our economy with those of certain European countries and inserted an article, "Myrdal Calls United States Stagnant Economy." p. 16658
13. ELECTRIFICATION. Sen. Metcalf termed "grossly misleading and erroneous" a leaflet of the Mont. Power Co. "purporting to show that the proposed Knowles multipurpose project on the Flathead River is economically unsound," and inserted figures to support his position. pp. 16661-4

HOUSE

14. FARM PROGRAM. Rep. Avery objected to a unanimous consent request by Rep. Cooley to send H. R. 12391, the proposed Food and Agriculture Act of 1962, to conference. p. 16615
15. WHEAT. Passed under suspension of the rules S. 3574, to extend the International Wheat Agreement Act of 1949 so as to extend the authority granted under the act to cover any new or revised wheat agreement. This bill will now be sent to the President. pp. 16632-5
16. INTERGOVERNMENTAL RELATIONS. The Subcommittee on Departmental Oversight of the Agriculture Committee voted to report to the full committee with amendments H. R. 12802, to provide further for cooperation with States in administration and enforcement of certain Federal laws. p. D773

banks shall have power to execute such bond when so required by the laws of the State.

(g) In any case in which the laws of a State require that a corporation acting as trustee, executor, administrator, or in any capacity specified in this section, shall take an oath or make an affidavit, the president, vice president, cashier, or trust officer of such national bank may take the necessary oath or execute the necessary affidavit.

(h) It shall be unlawful for any national banking association to lend any officer, director, or employee any funds held in trust under the powers conferred by this section. Any officer, director, or employee making such loan, or to whom such loan is made, may be fined not more than \$5,000, or imprisoned not more than five years, or may be both fined and imprisoned, in the discretion of the court.

(i) In passing upon applications for permission to exercise the powers enumerated in this section, the Comptroller of the Currency may take into consideration the amount of capital and surplus of the applying bank, whether or not such capital and surplus is sufficient under the circumstances of the case, the needs of the community to be served, and any other facts and circumstances that seem to him proper, and may grant or refuse the application accordingly: *Provided*, That no permits shall be issued to any national banking association having a capital and surplus less than the capital and surplus required by State law of State banks, trust companies, and corporations exercising such powers.

(j) Any national banking association desiring to surrender its right to exercise the powers granted under this section, in order to relieve itself of the necessity of complying with the requirements of this section, or to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, or for any other purpose, may file with the Comptroller of the Currency a certified copy of a resolution of its board of directors signifying such desire. Upon receipt of such resolution, the Comptroller of the Currency, after satisfying himself that such bank has been relieved in accordance with State law of all duties as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics or other fiduciary, under court, private, or other appointments previously accepted under authority of this section, may, in his discretion, issue to such bank a certificate certifying that such bank is no longer authorized to exercise the powers granted by this section. Upon the issuance of such a certificate by the Comptroller of the Currency, such bank (1) shall no longer be subject to the provisions of this section or the regulations of the Comptroller of the Currency made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State authorities for the protection of private or court trusts, and (3) shall not exercise thereafter any of the powers granted by this section without first applying for and obtaining a new permit to exercise such powers pursuant to the provisions of this section. The Comptroller of the Currency is authorized and empowered to promulgate such regulations as he may deem necessary to enforce compliance with the provisions of this section and the proper exercise of the powers granted therein.

SEC. 7. Nothing contained in this Act shall be deemed to affect or curtail the right of any national bank to act in fiduciary capacities under a permit granted before the date of enactment of this Act by the Board of Governors of the Federal Reserve System, nor to affect the validity of any transactions entered into at any time by any national bank

pursuant to such permit. On and after the date of enactment of this Act the exercise of fiduciary powers by national banks shall be subject to the provisions of this Act and the requirements of regulations issued by the Comptroller of the Currency pursuant to the authority granted by this Act.

SEC. 3. Subsection (k) of section 11 of the Federal Reserve Act (12 U.S.C. 248(k)) is repealed.

SEC. 4. Paragraph (2) of subsection (a) of section 584 of the Internal Revenue Code of 1954 is amended by inserting "or the Comptroller of the Currency" immediately after "the Board of Governors of the Federal Reserve System".

SEC. 5. Section 581 of the Internal Revenue Code of 1954 is amended by striking out "section 11(k) of the Federal Reserve Act (38 Stat. 262; 12 U.S.C. 248(k))", and inserting in lieu thereof "authority of the Comptroller of the Currency".

MR. SPEAKER. Is a second demanded?

MR. WIDNALL. Mr. Speaker, I demand a second.

MR. PATMAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

THE SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MR. PATMAN. Mr. Speaker, this bill places authority over the trust powers of national banks in the Comptroller of the Currency.

The power is now in the Board of Governors of the Federal Reserve System. The Board of Governors, through Mr. Martin, Chairman, agreed to the passage of the bill and recommended its passage. There is no objection to the passage of the bill. The committee voted it out of the committee unanimously.

MR. SPEAKER, I do not know of anyone who would like to speak on the bill on our side.

If the gentleman from New Jersey [Mr. WIDNALL] does not have any requests for time, I think we had just as well ask for a vote on the question.

MR. WIDNALL. Mr. Speaker, I have no requests for time.

MR. GROSS. Mr. Speaker, will the gentleman yield?

MR. PATMAN. I yield to the gentleman from Iowa.

MR. GROSS. I would like to ask the gentleman from Texas [Mr. PATMAN], how long the Federal Reserve Board has had the authority that he now proposes to take from it?

MR. PATMAN. I think from the very beginning of the Federal Reserve System, in 1913. I am not absolutely sure about that, but I believe it is correct. However, it is possible that the 1935 act gave the power to the Board.

MR. GROSS. If the gentleman will yield further, permit me to ask the gentleman the reason why you take this authority from the Federal Reserve Board?

MR. PATMAN. Well, the Federal Reserve Board feels it more logically belongs in the Comptroller of the Currency than in the Federal Reserve Board.

MR. GROSS. If the gentleman will yield further, permit me to ask the gentleman this pointed question:

Has there been dissatisfaction with the administration of it by the Federal Reserve Board?

MR. PATMAN. There has been no dissatisfaction at all. But, you see, the Comptroller of the Currency has to do with the national banks.

THE SPEAKER. The question is on the motion of the gentleman from Texas, [Mr. PATMAN], that the House suspend the rules and pass the bill H.R. 12577.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

RETENTION OF BANK BRANCHES UPON CONVERSION

MR. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12899) to amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 5155 of the Revised Statutes, as amended (12 U.S.C. 36), is amended to read as follows:

"(b) (1) A national bank resulting from the conversion of a State bank may retain and operate as a branch any office which was a branch of the State bank immediately prior to conversion if such office—

"(A) might be established under subsection (c) of this section as a new branch of the resulting national bank, and is approved by the Comptroller of the Currency for continued operation as a branch of the resulting national bank;

"(B) was a branch of any bank on February 25, 1927; or

"(C) is approved by the Comptroller of the Currency for continued operation as a branch of the resulting national bank.

The Comptroller of the Currency may not grant approval under clause (C) of this paragraph if a State Bank (in a situation identical to that of the national bank) resulting from the conversion of a national bank would be prohibited by the law of such State from retaining and operating as a branch an identically situated office which was a branch of the national bank immediately prior to conversion.

"(2) A national bank (referred to in this paragraph as the 'resulting bank'), resulting from the consolidation of a national bank (referred to in this paragraph as the 'national bank') under whose charter the consolidation is effected with another bank or banks, may retain and operate as a branch any office which, immediately prior to such consolidation, was in operation as—

"(A) a main office or branch office of any bank (other than the national bank) participating in the consolidation if, under subsection (c) of this section, it might be established as a new branch of the resulting bank, and if the Comptroller of the Currency approves of its continued operation after the consolidation;

"(B) a branch of any bank participating in the consolidation, and which on February 25, 1927, was in operation as a branch of any bank; or

"(C) a branch of the national bank and which, on February 25, 1927, was not in operation as a branch of any bank, if the Comptroller of the Currency approves of its continued operation after the consolidation.

The Comptroller of the Currency may not grant approval under clause (C) of this paragraph if a State bank (in a situation identical to that of the resulting national bank) resulting from the consolidation into a State bank of another bank or banks would be prohibited by the law of such State from retaining and operating as a branch an identically situated office which was a branch of the State bank immediately prior to consolidation.

"(3) As used in this subsection, the term 'consolidation' includes a merger."

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered. There was no objection.

Mr. PATMAN. Mr. Speaker, this bill is endorsed by the Board of Governors of the Federal Reserve System, by the General Counsel of the Treasury Department, and by the Federal Deposit Insurance Corporation.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the letters which the committee has received from each of these departments.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(The letters referred to follow:)

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, August 24, 1962.

The Honorable BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is understood from counsel to your committee that you would like to have a report from the Board on the bill H.R. 12899, "To amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger."

This bill would facilitate retention of branches by a national bank resulting from conversion of a State bank or from the consolidation or merger with either another national or a State bank, even though the branches were not in operation on February 25, 1927. Considerations relating to applications for branches in connection with conversions, consolidations, or mergers of the kinds above described are necessarily included among those taken into account by the Comptroller of the Currency in acting upon any such conversion, consolidation, or merger. Therefore, the bill, in effect, would permit avoidance of duplication of effort. It is noted that the bill would not permit the retention of branches in such situations if a State bank in a situation identical to that of the resulting national bank would be prohibited by the law of the State in question from retaining and operating as a branch an identically situated office.

The Board would have no objection to enactment of the bill.

Sincerely yours,

WM. MCC. MARTIN, Jr.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, August 24, 1962.

HON. BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 12899, "To amend section 5155 of the Revised Statutes relating to bank branches which may be retained upon conversion or consolidation or merger."

Under the provisions of section 5155 of the Revised Statutes, as amended (12 U.S.C. 36), upon the conversion of a State bank into a national bank, or the consolidation or merger of two or more national banks or of State and national banks resulting in a national bank, any branches established since February 25, 1927, are required to be relinquished. H.R. 12899 amends this section to provide that in such instances and subject to the approval of the Comptroller of the Currency, the converted bank, or the bank under whose charter the consolidation or merger is being effected, may retain and operate all of the branches which it had in lawful operation at the time of the conversion, consolidation or merger, if the law of the State would not prevent a resulting State bank identically situated, from retaining such branches.

The present law operates as a deterrent to State banks converting into national banks and is inconsistent with the well-established doctrine that State banks should be permitted to convert freely into national banks and vice versa. Enactment of this legislation would not be detrimental to the State banking systems nor would it give to national banks any advantage over State banks in the matter of branches. Further, a bank which takes over by merger or consolidation a State or other national bank should not for that reason have to give up the branches which it has in operation at the time of the consolidation or merger. The purpose of the existing law is to prevent a bank from acquiring branches where they could not legally be established under State law, by taking over other banks. This purpose does not exist in the case of branches of the continuing bank and there is no reason why a bank should not be permitted to continue in operation the legally established branches which it already has in existence.

H.R. 12899 has the same general objective as H.R. 12578 which incorporated a draft bill submitted to the Congress by the Treasury Department. While the Department is of the opinion that the revisions made in the proposal it submitted are not necessary and may cause confusion, the Department nevertheless believes that the passage of H.R. 12899 is in the best interests of the national banking system and urges its enactment.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

FRED B. SMITH,
Deputy General Counsel.

FEDERAL DEPOSIT
INSURANCE CORPORATION,
Washington, August 15, 1962.

HON. BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You have requested a statement of the Corporation's views in reference to H.R. 12899, a bill to amend section 5155 of the Revised Statutes relating to branch banks which may be retained upon conversion or consolidation or merger.

This bill concerns itself with the retention of branches by the one final resulting national bank in the case of conversions or consolidations or mergers, which branches were lawfully in operation by that one resulting bank prior to the transaction but which were not in operation on February 25, 1927, and would not be permitted under existing law as a new branch.

The interest of the Corporation in this bill stems from the fact that Federal legislation on the right of national banks to change into State banks and State banks to change into national banks, without the approval of the respective supervisory authority, is premised

on the proposition that there shall be a "two-way street." By that is meant that there shall be equal freedom for the banks in one system to convert or consolidate or merge into banks in the other system. The Federal legislation permitting national banks to move into a State system is based upon the premise that there is appropriate offsetting State legislation which permits freedom of transition of State banks into the national system. There is also a well-founded principle in Federal legislation that the matter of branches and the right to establish and maintain them is a subject of local concern, to be controlled by local and State legislation. This principle established by the McFadden Act in 1927, should remain the guideline for the establishment and maintenance of branches of both State and national banks.

It is the view of the Corporation that H.R. 12899 is consistent with the above-stated principle in the matter of changes from State banks to national banks and national banks to State banks. Accordingly, the Corporation favors the enactment of H.R. 12899.

We have been advised by the Bureau of the Budget that it has no objection from the standpoint of the administration's program to the submission of this report.

Sincerely yours,

ERLE COCKE, Sr.,
Chairman.

Mr. PATMAN. Mr. Speaker, this bill also passed the committee unanimously. I do not know of any objection to it. All of the agencies involved agree it is a good bill.

Mr. WIDNALL. Mr. Speaker, will the gentleman from Texas [Mr. PATMAN] explain what this bill proposes to do?

Mr. PATMAN. It allows the banks that merge to keep the branches which they had at the time of the merger. That is really the essence of it. It just retains the same branches.

Mr. WIDNALL. If the gentleman will yield further, the bill was reported out of the committee unanimously?

Mr. PATMAN. Yes.

Mr. WIDNALL. And all of the testimony was favorable to the bill?

Mr. PATMAN. There was no opposition to it.

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. PATMAN], that the House suspend the rules and pass the bill H.R. 12899.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INTERNATIONAL WHEAT AGREEMENT ACT EXTENSION

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3574) to extend the International Wheat Agreement Act of 1949.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Wheat Agreement Act of 1949, as amended, is further amended as follows:

(1) The first sentence is amended by striking out the language in the first parenthesis and all that follows in such sentence and inserting in lieu thereof the following: "signed by the United States and certain other countries revising and renewing such

agreement of 1949 for periods through July 31, 1965 (hereinafter collectively called the 'International Wheat Agreement')."

(2) There is inserted immediately before the last sentence the following new sentence: "Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force."

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, this bill also passed the committee unanimously. The purpose of the bill is to extend for an additional 3 years the necessary implementing legislation to carry out U.S. participation in the International Wheat Agreement. This agreement was really signed in 1949 and has since been extended at 3-year intervals. The latest extension has been ratified by the Senate on July 9, 1962, by a vote of 79 to 0.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. There is no opposition so far as you know to the bill?

Mr. PATMAN. No.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Does this bill have the approval of the European Economic Community, otherwise known as the Common Market?

Mr. PATMAN. We do not consult the Common Market about things like this.

Mr. GROSS. Perhaps the gentleman's committee does not, but it seems that the State Department and everybody else does and acts accordingly. I just wondered if the gentleman had to get the approval of the Common Market.

Mr. PATMAN. We do not feel obligated to confer with the Common Market.

Mr. WIDNALL. Mr. Speaker, the subcommittee and the full committee felt that this was very much in the best interests of the United States to continue with this agreement.

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATMAN. Mr. Speaker, the following comments constitute background information pertinent to the consideration of a bill to extend the International Wheat Agreement Act of 1949, as amended, to implement U.S. membership for the ensuing 3 years in the 1962 International Wheat Agreement. The Senate gave its advice and consent for ratification of the agreement on July 9, 1962.

SCOPE OF WHEAT AND FLOUR TRADE INVOLVED

The rights and obligations under the agreement are of necessity restricted to commercial trade, inasmuch as exports under special Government programs, notably Public Law 480 and noncommercial barter—United States—and under the Colombo plan and export credits insurance—Canada—by their very nature do not involve rights and obligations such as attach to trade under a multilateral agreement.

U.S. exports of wheat and flour for the crop year just ended June 30, 1962, are expected to total around 710 million bushels. A preliminary estimate of the composition of this trade is as follows:

	Million bushels
1. Commercial sales to IWA member importing countries.....	160
2. Commercial sales to other exporting countries and to nonmember countries.....	55
3. Sales to all countries under title I, Public Law 480.....	410
4. Sales to all countries under title IV, Public Law 480.....	7
5. Noncommercial barter sales to all countries.....	28
6. Donations to all countries.....	50
Total exports.....	710

Only the segment of trade in category No. 1 comes under the rights and obligations of the wheat agreement for the reasons mentioned above, and also inasmuch as trade so covered is restricted to exports to member importing countries, the concept of the agreement being one of a multilateral contract between importing purchasers and exporting suppliers.

Under the 1962 agreement, and likewise under the proposed implementing legislation, "member importing countries" is intended to include importing countries with "provisional" membership. The 1962 agreement recognizes a provisional membership to accommodate those countries which participated in the negotiations but whose legislatures do not find it possible to ratify before the agreement comes into force. In such a case an interim instrument is deposited; that is, an intention to seek acceptance or accession in accordance with the country's constitutional procedures. This allows a country time to conclude those formalities, and the provisional membership expires upon deposit of the full instrument of acceptance or upon expiry of the period granted by the Wheat Council for its deposit, but in no case later than July 31, 1963.

The agreement also recognizes the practical necessity for the concluding of export transactions in advance of shipment, and the inevitable circumstance that some sales for loading the first crop-year in the agreement will be made before some countries have been able to deposit instruments of acceptance or accession. Accordingly, the criterion for recording transactions under the agreement is not the time of consummation of the transaction, but is whether or not the loading period falls within the term of the agreement.

It is the intention that the reimbursement to the Commodity Credit Corporation which in the proposed legislation is authorized to be appropriated, should include net costs to the Corporation with respect to all transactions which qualify as commercial purchases—as defined in the agreement—from the United States by member and "provisional" member importing countries, on the same basis recognized by the Wheat Council.

U.S. PROGRAM UNDER THE AGREEMENT

The Commodity Credit Corporation program which has been conducted pursuant to the International Wheat Agreement Act of 1949, as amended, enables commercial wheat exporters and millers to purchase wheat at domestic market prices and to sell the wheat, or wheat-flour product, to purchasers in wheat agreement importing countries, at prices consistent with the agreement price range, in competition with other exporters in the world market. The program costs in connection with these exports are occasioned by reason of the U.S. domestic price of wheat being higher than the competitive world price. The cost per bushel—and this has been the case since 1953—is the difference between the domestic price at ports and the competitive world price as it moves within the limits of the Agreement price range. Should prices advance to the maximum, then the program cost per bushel would be the difference between the domestic price and the U.S. equivalents of the agreement maximum, until the U.S. quantitative commitment had been fulfilled and then prices could advance higher with a compensating reduction in the program cost.

The Wheat Agreement Act of 1949, as amended, requires the Commodity Credit Corporation in making wheat available under the agreement to have regard for its responsibility to utilize the usual and customary channels, facilities, and arrangements of trade and commerce to the maximum extent practicable. During the life of the 1959 agreement, all exports of wheat and wheat flour under the agreement were accomplished through the private trade. Insofar as practicable, practices and procedures applicable to ordinary commercial exports are permitted and encouraged. The program requirements are such as to make participation practicable for small business or for any exporter regularly engaged in the exportation of wheat or wheat-flour.

Under the program, an exporter in the private trade negotiates a sale of wheat or wheat-flour with a buyer in a wheat agreement importing country, in the knowledge of export payment rates which are publicly announced each day by the Commodity Credit Corporation after grain markets have closed. The exporter reports the sale by telegraph to the CCC, and if the transaction is eligible he receives registration under the program within a few hours. He later accomplishes the exportation and upon presentation of evidence of sale and

proof of exportation he collects the export payment from an office in his area at the rate per bushel of wheat or hundredweight of flour which prevailed at the time the sale was made. In the case of wheat, the export payment is made in the form of a negotiable certificate which is redeemable only in wheat from Commodity Credit stocks at the domestic market price. This wheat is utilized only in connection with further exports under the program.

EXPORT PROGRAM COSTS

The average payment on combined wheat and flour exports under the wheat agreement during the fiscal year 1960-61 was 57 cents per bushel. This is approximately the low-point for any annual average since the beginning of the agreements in 1949 except for 1953-54 when the average was 44 cents; the highest annual average was 79 in 1956-57; and the overall average since 1949 was 63½ cents. It is difficult to estimate the program costs during the life of the 1962 agreement due to the uncertainties inherent in two of the three principal determinative factors; namely, first, the volume of trade; second, the level of domestic market prices; and, third, the future export prices which will need to be established in order to remain fully

competitive in the world market. The volume of commercial sales to member importing countries is expected to be about 160 million bushels annually. The domestic price factor may be expected to operate to increase unit costs although this depends upon the level of domestic market prices, whereas present conditions would indicate that the third factor—the export price—may to some extent decrease unit costs. The closest estimate possible at this time is 65 cents per bushel with a possibility of reaching 70 cents if domestic markets rise materially; or conversely, a lowering of the cost per bushel, should conditions lead to a domestic market decline.

The following information relating to the 1962 International Wheat Agreement is pertinent to the proposed implementing legislation:

PROSPECTIVE MEMBERSHIP

Forty-eight countries participated in the 1962 United Nations Negotiating Conference, but 7 of these were importing countries which did not subscribe a percentage obligation prior to the adjournment of the conference; consequently only 41 countries are inscribed in the agreement.

The membership status as of August 1, 1962, was as follows:

	Exporters	Importers	Total
Countries which had deposited final instruments of acceptance or accession.....	4	12	16
Countries which had deposited provisional instruments of acceptance or accession.....	4	10	14
Countries granted extensions for the deposit of instruments.....	2	5	7
Countries not granted extensions (which did not sign the agreement) which may seek accession as new members.....		4	4
Total inscribed in agreement.....	10	31	41

NOTE.—The names of the countries in the foregoing categories are listed in "App. I: Exporting Countries," and "App. II: Importing Countries."

OBLIGATION OF IMPORTING COUNTRIES

Each member importing country undertakes to purchase from member exporting countries a specified percentage of its total commercial purchases from all sources, whatever that total may be. The weighted average of the percentages subscribed by all importing countries under the 1962 agreement is approximately 81 percent. This takes into account the prospective membership of the U.S.S.R. At the level of trade during the crop-years 1959 to 1960 and 1960 to 1961, commercial purchases from all sources aggregated around 590 million bushels.

It is expected that the member importing countries will buy within the agreement a much greater proportion of their total commercial requirements than the 81 percent subscribed. Under the previous 1959 agreement, when the weighted average subscribed was 70 percent, the actual commercial purchases for the crop-years 1959 to 1960 and 1960 to 1961 approximated 92½ percent.

The importers' obligation exists at the agreement minimum price and throughout the range up to the maximum price. The right of the United States and other

exporting countries is to sell this guaranteed percentage that the member importers purchase. This benefit is global in the sense that exporting countries compete with one another in selling importing countries their requirements.

OBLIGATION OF EXPORTING COUNTRIES

The obligation of exporting countries exists if the price reaches the agreement maximum. Then, they undertake to furnish any quantities not already purchased in that year, up to a moving average equal to importers' historical commercial purchases during a 4-year period. To purchase up to these quantities at the maximum price, before prices may go any higher, is the importing countries' right. The maximum obligation of the United States, at the maximum price, for the cropyear 1961-62 was 163 million bushels. During the life of the 1962 agreement, the maximum obligation each year could be expected to continue at about this figure. Exporters' obligations are global in the sense that an exporting country may discharge its obligation by selling to any member importing countries until the exporter's overall commitment has been fulfilled.

It is interesting to note that commercial sales by United States for the current 1961-62 subject to the terms of the agreement, secured competitively under non-maximum price conditions—projected on the basis of the volume recorded during the first 11 months—totals around 160 million bushels. This approximates the total quantity mentioned in the preceding paragraph which the United States could have been called upon to furnish had prices reached the maximum.

THE PRICE RANGE

The basic maximum and minimum prices in the 1962 agreement are \$2.025 and \$1.625 per bushel, respectively, compared with \$1.90 and \$1.50 in the expiring agreement. These prices are on a gold basis—that is, equal to U.S. currency—and are in terms of a basic grade and a basing point; namely, No. 1 Manitoba Northern Wheat in bulk in store at the head of the Lakes.

The equivalents of the agreement basic prices at U.S. ports are determined on the basis of prevailing transportation rates to destinations. As an example, the current f.o.b. equivalents at U.S. gulf ports of the new agreement basic prices are approximately \$2.16 maximum and \$1.76 minimum. For practical purposes of comparison, these prices must be further interpreted in terms of classes and grades in relation to the basic grade. The United States establishes differentials for its various classes and grades as required in the light of competitive world prices.

Shorter supplies of hard wheats in the higher protein brackets and price advances of these qualities during the last half of 1961 and early 1962, were factors favorable to the obtaining of the increase in the agreement price range at the negotiating conference. However, this was accomplished in the face of remaining large supplies of ordinary protein wheats and a concerted resistance to price increase on the part of developing countries. Although purchases by developing countries are largely under government-assisted programs rather than commercial, nonetheless they opposed a higher price range, and by and large it was the industrialized, commercial buyers which enabled the United States and other exporting countries to negotiate the price increase.

AGREEMENT ADMINISTRATION

The agreement is administered internationally by a wheat council composed of member countries of the agreement. Votes are divided equally between exporting countries and importing countries, with each group having 1,000 votes. The United States holds 290 of the 1,000 exporter votes in the council.

The U.S. pro rata proportion of the cost of administration under the 1959 agreement averaged \$22,600 annually, which is about one-sixtieth of a cent per bushel of wheat exported under the agreement.

APPENDIX 1

Exporting countries inscribed in the 1962 agreement

Exporting country	Member of 1959 agreement	Inscribed in 1962 agreement	Status as of Aug. 1, 1962		
			Instrument full membership deposited	Instrument of provisional membership deposited	Granted extension for deposit of instrument of acceptance
1. Argentina.....	X.....	X.....		X.....	X.
2. Australia.....	X.....	X.....	X.....	.....	
3. Canada.....	X.....	X.....	X.....	.....	
4. France.....	X.....	X.....	.....	.....	
5. Italy.....	X.....	X.....	.....	X.....	
6. Mexico.....	X.....	X.....	.....	.....	
7. Spain.....	X.....	X.....	.....	X.....	
8. Sweden.....	X.....	X.....	.....	X.....	
9. United States.....	X.....	X.....	X.....	.....	
10. U.S.S.R.....	Nonmember	X.....	X.....		

APPENDIX 2

Importing countries inscribed in the 1962 agreement

Importing country	Percent of commercial purchases pledged		Status as of Aug. 1, 1962			
	1959	1962	Instrument of full membership deposited	Instrument provisional membership deposited	Extensions granted	See footnote
1. Austria.....	45	60	X.....	.....	.....	
2. Belgium-Luxembourg.....	80	90	.....	X.....	.....	
3. Brazil.....	50	30	.....	X.....	.....	
4. Cuba.....	90	90	.....	X.....	.....	
5. Dominican Republic.....	90	90	.....	.....	X.....	
6. Federal Republic of Germany.....	70	87 ^{1/2}	.....	X.....	.....	
7. India.....	70	70	X.....	.....	.....	
8. Indonesia.....	70	70	.....	.....	X.....	
9. Ireland.....	90	90	X.....	.....	.....	
10. Israel.....	60	60	.....	X.....	.....	
11. Japan.....	50	85	.....	X.....	.....	
12. Republic of Korea.....	90	90	X.....	.....	.....	
13. Netherlands.....	75	90	.....	X.....	.....	
14. New Zealand.....	90	90	X.....	.....	.....	
15. Nigeria.....	90	80	X.....	.....	.....	
16. Norway.....	60	90	X.....	.....	.....	
17. Philippines.....	70	80	.....	X.....	.....	
18. Portugal.....	85	85	.....	.....	X.....	
19. Rhodesia and Nyasaland.....	90	90	X.....	.....	.....	
20. Saudi Arabia.....	70	70	X.....	.....	.....	
21. South Africa.....	90	90	X.....	.....	.....	
22. Switzerland.....	80	87	.....	X.....	.....	
23. United Arab Republic.....	30	30	.....	X.....	.....	
24. United Kingdom.....	80	90	X.....	.....	.....	
25. Vatican City.....	100	100	X.....	.....	.....	
26. Venezuela.....	70	60	.....	.....	X.....	
27. Ceylon.....	(1)	80	.....	.....	.....	X.
28. Iran.....	(1)	80	.....	.....	.....	X.
29. Liberia.....	(1)	70	.....	.....	X.....	
30. Libya.....	(1)	70	.....	.....	.....	X.
31. Poland.....	(1)	50	.....	.....	.....	X.

¹ Not member of 1959 agreement.

Seven additional importing countries participated in the 1962 negotiating conference but did not specify a percentage undertaking and consequently were not inscribed in the agreement. Two of these countries—Finland and Greece—applied to the International Wheat Council for accession after the agreement came into force on July 16, 1962. The applications were approved and the countries are now placing membership before their legislatures. The other five countries in this category may seek accession in the same manner in the future. These countries are: Colombia, Denmark, Morocco, Pakistan, and Syria.

Nine importing countries which were members of the 1959 agreement did not participate in the 1962 negotiating conference. One of these countries—El Salvador—applied for accession after the agreement came into force on July 16, 1962. The application was approved by the Wheat Council and the deposit of

the instrument of accession is pending. The other eight countries in this category are Costa Rica, Guatemala, Haiti, Honduras, Iceland, Panama, Peru, and Sierra Leone. Sierra Leone has applied for accession but the Wheat Council has not yet had opportunity to act on it.

Of the 41 exporting and importing countries inscribed in the agreement, all but 4 have deposited instruments, either final or provisional, or have been granted extensions for deposit. The four which have not been granted extensions, have not applied therefor nor did they sign the agreement during the prescribed period. These countries are Ceylon, Iran, Libya, and Poland. They are privileged to apply to the Wheat Council for accession under article 35(4) of the agreement which authorizes the Council by two-thirds votes of exporting countries and two-thirds votes of importing countries to approve accession by the Government of any member of the

United Nations or the specialized agencies or by any Government which was a member of the 1959 Wheat Agreement.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 3574?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

ASSISTANCE FOR CERTAIN FED- ERALLY IMPACTED AREAS

Mr. RAINS. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3327) to make certain federally impacted areas eligible for assistance under the public facility loan program, with amendments, which I send to the Clerk's desk.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (4) of section 202(b) of the Housing Amendments of 1955 is amended by inserting immediately after "Act" the following: "or in the case of a community in or near which is located a research or development installation of the National Aeronautics and Space Administration".

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, on that I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. RAINS. Mr. Speaker, right at the outset let me make it clear that the title of the bill does not accurately describe the amendment in the nature of a substitute that I have sent to the desk. This bill, S. 3327, is intended to make loans from the Community Facilities Administration available to those rapidly growing communities where research or development installations of the National Aeronautics and Space Administration are located.

This is the bill which was brought up on the consent calendar, but objection was raised on the grounds that it referred to federally impacted areas where there are NASA installations. My amendment overcomes those objections by eliminating entirely any reference to federally impacted areas. Instead, the amendment which is at the desk in effect substitutes a population ceiling. Under this amendment any community which has a NASA research or development installation would be eligible under the public facility loan program provided that its population does not exceed 150,000. Under existing law these loans can be made to any community with a population of 50,000 or less except that in depressed areas—those eligible for aid under the Area Redevelopment Act—we have raised the population ceiling to 150,000, the same that this bill would establish for communities with NASA installations.

Mr. Speaker, in my judgment, this is an extremely worthwhile piece of legislation. The creation of these space re-

search centers has in most cases brought in a substantial number of new families to the area and often has placed great strain on existing community facilities. As a result of this population increase, these communities are forced to finance additional water and sewer facilities, streets, sidewalks, public buildings, and the like. Schools, of course, are not eligible under the community facility loan program and are not eligible under the bill now before the House.

Certainly we all recognize the vital importance of the space program and the need to take whatever steps are called for to keep that program moving at a rapid pace. One of these needs is adequate housing, which includes adequate community facilities for the people who work there. This bill will assure that financing on reasonable terms is available to help these communities provide the facilities needed.

Let me point out that the community facility loan program does not cost the taxpayer a single cent. The interest rate of these loans is set by a formula which fully reflects the cost of money to the Treasury and all costs of administering the program. At present the interest rate on these loans is 3¾ percent. They can be used only if the community cannot sell its own tax-exempt securities to private investors at reasonable rates. Currently, this means a 4-percent rate, and no community which can borrow on its own in the private market at 4 percent or less can obtain one of these loans.

At present there are NASA installations in 16 communities; 9 of these communities are already eligible under the public facility loan program because they are small towns of less than 50,000 population. At the other extreme, there are 3 communities in large cities which, because of their financial power, are able to borrow at low interest rates from private investors and so do not need this program and are excluded by the 150,000 population ceiling. The remaining four communities would be made eligible for these loans by the pending bill if they find that they cannot borrow from private investors at reasonable rates. These are Huntsville, Ala.; Hampton, Va.; and Pasadena and Santa Monica, Calif.

May I emphasize that these four communities would use this program only if it were really needed and, in my judgment, this kind of backstop financing should be made available to them. I urge all of my colleagues to support the bill.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Did I understand the distinguished gentleman from Alabama to say that this in no way affects Public Laws 815 and 874?

Mr. RAINS. Not all. It has no connection with it. In the Senate they use the word "impacted areas," whereas in reality it is an amendment to the Community Facilities Act. It has no rela-

tion to the impacted area laws, either 815 or 874.

Mr. BAILEY. I thank the gentleman. The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 3327, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "An act to make eligible for assistance under the public facility loan program certain areas where research or development installations of the National Aeronautics and Space Administration are located."

A motion to reconsider was laid on the table.

MAXIMUM PERSONNEL SECURITY IN THE NATIONAL SECURITY AGENCY

Mr. WILLIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12082) to amend the Internal Security Act of 1950 by adding thereto title IV establishing a legislative base for personnel security procedures in the National Security Agency.

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. WILLIS. Mr. Speaker, I withdraw my motion.

The SPEAKER. Does the gentleman from Ohio withdraw his point of order?

Mr. HAYS. I withdraw it, Mr. Speaker.

PADRE ISLAND NATIONAL SEASHORE

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4) to provide for the establishment of the Padre Island National Seashore, as amended.

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold his point of order until the Chair lays before the House two messages?

Mr. GROSS. Yes, Mr. Speaker.

BARBARA W. TROUSIL, EDWARD G. TROUSIL, AND ROBERT E. TROUSIL

The Chair laid before the House the following communication from the Clerk of the House:

AUGUST 27, 1962.

The Honorable the SPEAKER,
House of Representatives.

SIR: I have the honor to transmit herewith a sealed envelope addressed to the Speaker of the House of Representatives from the President of the United States, received in the Clerk's office at 4:53 p.m. on August 24, 1962, and said to contain a veto message on H.R. 3372, "An act for the relief of Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil."

Respectfully yours,

RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

BARBARA W. TROUSIL, EDWARD G. TROUSIL, AND ROBERT E. TROUSIL—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 533)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H.R. 3372, "for the relief of Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil."

This bill would waive the applicable statute of limitations and permit Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil to file their claims under the Czechoslovakian claims program administered by the Foreign Claims Settlement Commission.

In 1958, the Congress authorized a program to compensate those U.S. citizens who sustained losses when their property located in Czechoslovakia was nationalized following World War II. Under that program—to be financed from the liquidation of certain assets of the Czechoslovakian Government situated in the United States—the statutory deadline for filing claims was September 15, 1959.

The beneficiaries of the present bill, U.S. citizens who returned to this country from Czechoslovakia after the war, filed their claim under the Czechoslovakian program in August 1960. It was, therefore, necessarily rejected by the Foreign Claims Settlement Commission as being barred by the applicable statute of limitations.

According to the report of the House Committee on the Judiciary, the beneficiaries' failure to file timely was due to the deception of the manager of their Czechoslovakian properties. It is asserted that this manager, starting in 1953, repeatedly deceived the beneficiaries as to the status of their property and that it was not until 1960 that they became suspicious, went to Czechoslovakia, and learned that the property had, in fact, been nationalized in 1953. Had they not been so misled, it is argued, the beneficiaries would have known about the loss of their property and would, therefore, have filed a timely claim under the 1958 statute.

While regretting the losses suffered by the beneficiaries, I find myself unable to approve this bill. First of all, accepting the facts as presented in the committee report, it seems to me that the beneficiaries could and should have taken the precaution of filing under the claims program while taking earlier steps to verify the status of their property. Indeed, the manager's reported explanation that earnings from the property could not be removed from Czechoslovakia would, of itself, appear to be a sufficient reason for filing a claim. Given the wide range of possible reasons for not filing claims within a prescribed statute of limitations, I do not believe those which have been advanced in this case are sufficiently distinguishing to



Public Law 87-632
87th Congress, S. 3574
September 5, 1962

An Act

76 STAT. 434.

To extend the International Wheat Agreement Act of 1949.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the International Wheat Agreement Act of 1949, as amended, is further amended as follows: 63 Stat. 945;
73 Stat. 600.
7 USC 1641.

(1) The first sentence is amended by striking out the language in the first parenthesis and all that follows in such sentence and inserting in lieu thereof the following: "signed by the United States and certain other countries revising and renewing such agreement of 1949 for periods through July 31, 1965 (hereinafter collectively called the 'International Wheat Agreement')".

(2) There is inserted immediately before the last sentence the following new sentence: "Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force." TIAS 5115.

Approved September 5, 1962.

